

## **Independence for Statistics – A Consultation Paper**

### **Response by Local Authorities represented on the Central & Local Government Information Partnership – Labour Market Statistics**

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#### **Introduction**

This response is concerned with assessing how well the proposed legislation, designed to guarantee 'independence for statistics', will operate in practice. It is also concerned with the extent to which the proposals deal with those current anomalies in legislation which have the impact of significantly reducing access to 'official' statistics for organisations with a legitimate interest.

The main points we wish to make relate to labour market, employment and related household statistics. They were discussed at the most recent CLIP meeting held at ONS Pimlico on May 23<sup>rd</sup> 2006. They are as follows:

#### **1) User Involvement in Sample Design and Size**

At present the commissioners and funders of surveys related to the labour market are either central government departments or bodies fully financed by central government. The involvement of other users, especially those in local government, is marginal. This means that sample sizes are invariably set to meet the needs of those central bodies and may not be sufficiently robust to meet more local requirements.

There are two examples:

The Annual Business Inquiry is not considered sufficiently robust at the local authority level to enable employee jobs to be monitored and tracked from year to year. This data source is considered critical in a number of fields, ranging from land-use planning to monitoring economic strategies. The results are also published at a ward level – where the data is not 'fit for purpose' unless aggregated to much larger geographies.

The Annual Population Survey (APS) received a boost in 2004 to raise the sample of economically active adults in each local authority district to at least 500. Before that it may have been below 200 as the requirement was to achieve a sample of 900 in the area covered by a local education authority – and some LEAs cover up to 10 county districts! The boost has now been withdrawn as a cost saving measure, (ref 'Review of Employment and Job Statistics; National Statistics Quality Review Series Report no 44, 2006 section 4.7 page 64). The implications of this cut were not discussed with users at all. Nor were any options explored, such as contributions from other sources. For some regions the consequences are most unfortunate. For example, the East of England is setting jobs and workplace population targets in its Regional Spatial Strategy and District Councils may be set indicative job targets to meet. How can they be monitored without a robust APS at the level of the local authority district?

The proposed Framework does not appear to address the issue of greater involvement of users in decisions about surveys and sampling.

#### **2) Taking the Opportunity to Provide New Legislation Relating to Access to Statistics**

There has been long-term concern about problems local government and other public sector agencies face in accessing labour market data. In particular the Statistics & Board of Trade Act 1947 restricts access to the Annual Business Inquiry and the Inter Departmental Business Register. Originally the Act entitled local government to access (but not publish) disclosive data on employment in individual companies for purposes of land-use planning. The restrictions act in two ways:

- Some data on company employment is collected under different legislation, which does not specifically refer to local planning authorities. No agency outside central government can access this.
- Some organisations did not exist in 1947 – so are not listed in the Act. They cannot therefore access information collected under the Act. These include Joint Teams working for groups of local authorities, such as Tyne & Wear Research, or the West Midlands data Team. Others are even newer – particularly Regional Assemblies. So regional bodies which are specifically charged with producing regional spatial strategies for land use planning cannot access detailed information on employees by area.

It is the view of the local authorities represented on the CLIP Labour Market Statistics Group that these anomalies should be removed. All agencies with a statutory duty for land-use planning should be able to access information on all employment, given appropriate restrictions on the publication of any disclosive material. Quality land-use and economic planning requires the planners to be able to access all the relevant information collected by central

government. The requirement on local authorities to apply for a special licence is a suitable restriction on improper application and use.

Paragraph 4.3 in the Consultation Paper, under Section 4, Options for Reform, states in bullet point 5 that 'the system should have the flexibility to respond to changing needs, without harming the trust of users'. We would argue that in the case of local employment statistics this has not been the case, with access becoming less flexible over the years. The sixth bullet point refers to the need to 'minimise the burden on business'. What has happened has been the opposite. The failure to deliver robust, appropriate employment data from the 'official statistics' route has resulted in local authorities establishing their own employer and company databases, duplicating a government register which they cannot access.

Finally the group would like to comment on the need for independent scrutiny of official statistics. The Statistics Commission is just such an independent body. There is no guarantee that the proposed board will be able to act in this way. A much clearer divide is required between scrutiny and operations.

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