



**Association of Regional  
Observatories**

14<sup>th</sup> June 2006

## **Independence for Statistics**

### **Consultation Response from the Association of Regional Observatories (ARO) to HM Treasury**

The Association of Regional Observatories (ARO) welcomes this opportunity to comment on proposals for the reform of the Framework for National Statistics. The views expressed in this response are based on extensive experience of using national statistics to inform regional policy, strategy development and performance monitoring. ARO is an association representing the English Regional Observatories. As such we have extremely close links with the English Regional Development Agencies, Regional Assemblies and Government Offices. Indeed we share a common interest in maximising the quality of the regional evidence base – much of which is founded on officially produced statistics. Collectively these regional organisations also share a primary responsibility, with Central Government, for addressing the Government's Regional Economic Performance PSA Target. The coverage and quality of regional statistics have direct consequences for our ability to monitor and evaluate progress towards this and related targets. It is therefore essential that consideration of the regional statistical requirement should be central to the proposed reform.

The ARO response to this consultation will take as its principal focus issues of concern from a regional perspective. We are mindful of a number of issues of more general principle identified in some detail in the Royal Statistical Society's and other responses to this consultation and will touch on these where relevant.

### **General Comments**

We strongly support the principle of statistical provision independent of Government and welcome this move to entrench such provision in statute. We support the broad principles underpinning this reform set out in paragraph 1.9 and would be pleased to work with ONS, HMT and other stakeholders to help deliver it. However, as regional organisations, we have a number practical concerns that we feel are not fully addressed by this consultation document:

- 1) It is our experience that existing statistical provision has not kept pace with the demands of the regional policy community – itself a direct function of the Government regional policy. The HMT and consequent ONS commitment to implement the recommendations of the Allsopp Review marked a potential step-change in the quality and coverage of regional statistics. Unfortunately the pace of implementation has been slow and reform of this magnitude risks creating further delay. It is therefore imperative that the production of high quality regional statistics are integral to the new statistical system. This duty must form an explicit part of the statutory remit of the proposed statistics office, Chief Statistician and board. Existing commitments to implement Christopher Allsopp’s recommendations must be maintained.
- 2) In light of (1) we feel that it is essential for the proposed board to include strong regional representation in order to ensure that due weight is given to the needs of regional data users, alongside those of business, academia, central and local government.
- 3) Existing statistical legislation provides asymmetrical access to national data resources within the public service. Regional organisations including Regional Observatories, Regional Development Agencies and Regional Assemblies that were not extant when this legislation was enacted are routinely denied access to official data of direct relevance to their roles and responsibilities. This is not consistent with the Government’s desire to promote evidence-based regional policy and delivery and results in significant unnecessary cost to the public purse. Public agencies currently have little choice but to purchase often less satisfactory data from commercial sources as a direct consequence of anomalies created by this legislation. Legislation for independence presents an opportunity to address this fundamental problem.
- 4) The increasing balkanisation of the UK statistical system must be reversed. The Chief (National) Statistician and the GSS have key roles to play in ensuring coordination and consistency of statistical production across the UK and across the various departments and devolved administrations involved. In a number of substantive areas it is now impossible to make direct statistical comparisons of all UK regions and devolved administrations. This is totally unsatisfactory and must be addressed as part of the proposed reform.

### **Options for Reform**

Objectives and Principle (4.1-4.4). These are accepted. Greater emphasis could be placed on coordination of the statistical system in the interests of consistency and efficiency. We suggest that the principles outlined in 4.3 be modified to reflect this emphasis.

Legislation (4.5 – 4.6). This is welcome, but should not be restricted solely to creation of an independent board – a wider review of statistical legislation is

necessary in order to remove unacceptable anomalies relating to asymmetrical access to data within the public service (see 3 above).

Decentralisation (4.7 - 4.8). We accept that there are benefits associated with some decentralisation, but these should not be pursued at the expense of coordination and consistency.

Accountability to Parliament (4.9). We agree.

Integrated Independence (4.10). The proposal to combine the executive (production) and scrutiny functions within a single board is problematic. It is unclear as to what form of redress or appeal would be open to an individual or organisation wishing to challenge a decision of the board. A clear separation of executive and scrutiny functions is desirable. The Statistics Commission should not be abolished if the board is to have executive functions.

Non-Ministerial Department (4.11 -4.12). We agree that the statistics office should be an NMD. We do not agree that the board should combine executive responsibilities with independent scrutiny.

Civil Service Status (4.13). We agree.

Scope of the System (4.14 – 4.15). Maintenance, development and enforcement of the Code of Practice should be a principal function of the Chief (National) Statistician and board. This responsibility should extend to all statistics produced by government departments. In the interests of credibility and trust, ministers should have no role in the prioritisation of statistics for production. The board will need to consult widely on prioritisation of statistics for production.

Roles and Responsibilities (4.16). The Chief (national) Statistician has been omitted.

The Board (4.17-4.18). Production and scrutiny functions must be separate. Statutory high-level objectives should include reference to the production regional and local statistics. Indeed this could be appended to the fourth objective.

Statistics Office (4.19). See comments in relation to 4.10 above. Separation of executive and scrutiny functions is essential.

The National Statistics System (4.20). The NMD should have a responsibility for coordination and oversight of all officially produced statistics whether formally designated National Statistics or not. Decentralisation is not without benefit, but at present results in a lack of consistency that is not compatible with the working of an efficient and cost-effective statistical system.

Assessing Quality and Integrity (4.21). Principles are agreed. The need for 'Chinese wall' type arrangements suggested here would be eliminated by a

clear separation of executive and scrutiny functions within the statistical system.

Advising on Areas of Concern (4.22). We agree, but such advice should not be restricted to ministers.

Coverage (4.23). Responsibilities of Board and Chief Statistician require clarification. Some fundamental elements of statistical coverage should be defined in statute. Key regional statistics should be identified in this fashion.

Business Burden (4.24). Compliance costs associated with statistical production should be minimised where possible, however this must always be balanced against one fundamental purpose of the statistical system – to provide the evidence required to inform public policy and resource allocation within the public service.

Data sharing (4.25). This principle is agreed.

Data access (4.26). In light of 4.24 and concerns for the efficiency and cost-effectiveness of the statistical system, administrative data must be made available for statistical purposes. This need not be at the cost of compromising confidentiality.

Confidentiality (4.27-4.29). We agree the necessity of the protections listed here. In light of the concerns outlined in (3) above, provisions for increased data access by regional organisations are essential in any legislation.

Board structure and Chair (4.30-4.31). These proposals are acceptable, provided adequate provision is made for strong regional representation on the proposed board.

Chief statistician (4.32). Responsibilities outlined are accepted. We would echo the concerns raised by other commentators in relation to the title of this post and would prefer retention of the title of National Statistician.

Independent assessment (4.33). We agree.

Independent appointment (4.34). We agree.

GSS (4.35). We agree. There is a clear need to increase the interchange of staff with regional organisations. The proposed ONS 'regional presence' (Allsopp) should be implemented under the new statistical system and may provide a significant opportunity to fulfil this objective.

Heads of Profession (4.36). Should be jointly appointed by the Chief (National) Statistician in the interests of maintaining consistency and quality across a decentralised statistical system.

Professional Accountability (4.37). This is agreed.

Parliament (4.38-4.41). We agree. With specific reference to 4.40 we suggest that the board be required to produce an annual report that should include an assessment of the extent to which the statistical requirements of regional policy are being met. Greater clarity would also be helpful as to exactly how Parliamentary scrutiny will be exercised.

Funding (4.42-4.45). It is agreed that funding arrangements must be consistent with statutory independence. The Flexibility suggested by 4.44 could compromise the perception and reality of independence. Furthermore, flexibility to 'to meet changing needs' (4.43) will not be meaningful if the resource implications of these changing needs are not also addressed.

There is at present considerable uncertainty over the compatibility of RDA funding for the ONS 'regional presence' with the principle of independence. Considerably more thought is required as to exactly how these parallel developments initiated by HMT will be reconciled.

Devolved Administrations (4.46-4.47). Current arrangements are detrimental to the coherence and integrity of the UK-wide statistical system. These arrangements must be reviewed in light of the concerns expressed in (4) above.

Statistics Commission (4.48). Winding-up of this body is only acceptable if the proposed board has a sole responsibility for independent scrutiny. Combination of independent scrutiny and executive functions are not compatible. If the board is given executive functions, the Statistics Commission should be retained.

Registrar General (4.49-4.51). We accept the need for separation between the functions of this post and the Chief (National) Statistician. Legal responsibility for conduct of the Census should be transferred to the Chief (National) Statistician.

Legal Ramifications (4.52). Government must use the opportunity afforded by this proposed reform to institute a wholesale review of relevant statistical legislation. In particular, legislation restricting access by regional organisations information relevant to their roles and responsibilities must be repealed.

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Association of Regional Observatories