

Statistics User Forum response to Consultation Document on Independence for Statistics

Executive Summary

- The Statistics User Forum has carried out an extensive consultation process among its member bodies on the Consultation Document. While there are inevitable differences among users on points of detail and emphasis there is clear agreement on a number of issues (section 1).
- Users welcome the proposals to make official statistics more independent of government, to give Parliament oversight of the system and to make the Office for National Statistics a non-ministerial department (NMD). However they feel the proposals have a number of flaws, in particular concerning their failure to address the problems arising from the fragmented nature of the UK statistical system, which requires a stronger centre than it currently has, and in the proposed system of governance. Neither do users feel that the proposals on their own will improve public confidence in statistics (section 2).
- The Statistics User Forum does not support the idea that ministers should continue to decide which statistics produced outside the ONS should be “national statistics”. This means ministers would still have control of statistics in such crucial areas as health, education and crime which should be central to the whole system. If national statistics are to provide a comprehensive description of society and the economy, their scope must be the clear responsibility of the new board (section 3).
- The practice of dividing official statistics into “national statistics” and “others” is felt by many to be unhelpful, confusing and, since non-designated statistics do not have to be produced according to the code of practice, detrimental to public confidence (section 3).
- The lack of coherence in statistics across the UK is a long-standing problem that has worsened since devolution. Leaving the situation as it is, is not acceptable (section 4).
- Users do not believe it is good governance for the proposed NMD board to have responsibility for both delivery and scrutiny of the system, and have set out a number of objections. Most users would want a separate body, such as a reformed statistics commission or a body on the lines of the National Audit Office, to have this responsibility (section 5).
- Statistics are a public good and users believe that provision for a formal user consultative process should be built into the governance of the proposed NMD (section 6).
- Facilitating user access should be one of the key objectives of the system (section 7).

- Appointing members of the proposed board and the National Statistician solely on ministerial advice is not consistent with independence (section 8).
- The Statistics User Forum wishes to underline the importance of adequate and sustained funding (section 9).
- The Forum believes it is a fundamental mistake to prevent statisticians having access to administrative data (clearly with confidentiality safeguards) (section 10).
- Users believe that the system of statistical release needs to be reviewed; pre-release leaks, whether accidental or intentional, and failure to separate statistics release from policy announcement or comment have helped to damage confidence in statistics (section 11).
- Other points: Users do not believe that the analogy drawn in the Consultation Document with Bank of England independence is appropriate. They wish to see an end to the anomaly whereby the Treasury is responsible for the scope and definition of the retail price index. They do not see the point of changing the title of the National Statistician (section 12).
- The Statistics User Forum believes that public confidence in official statistics can be improved but only if the shortcomings in the Consultation Document are addressed. It urges the government not to enshrine unsatisfactory processes in legislation. The User Forum would be happy to assist the government in further discussions (section 13).

1. Introduction - the Statistics User Forum

1.1 The Statistics User Forum has carried out an extensive consultation process among its 17 member bodies concerning the proposals set out in the Treasury's Document on Independence for Statistics. This response is based on that and was finalised and agreed during the Forum's meeting on June 8th. While there are inevitable differences of detail and emphasis between users, there is clear agreement on a number of issues. This response can therefore be taken as an authoritative summary of the views of professional users on the proposals. Some of the bodies which are Forum members may, in addition, make their own responses to the Consultation Document.

1.2 The Statistics User Forum (SUF) succeeded the Statistics User Council in 2004 and brings together user groups and organisations with a common interest in UK statistics. A list of organisations it represents is attached as an appendix. The Forum comes under the aegis of the Royal Statistical Society (RSS) but is a separate body and many users represented in the Forum are not RSS members. The Forum's consultation process on the independence proposals has therefore been carried out independently of the RSS's own consultations.

2. General points

2.1 Users welcome the general proposals to make official statistics more independent of government and to give oversight of the system to Parliament. We agree with some proposals in the Consultation Document but have serious reservations on others which we feel are fundamentally flawed.

2.2 We support broadly the objectives set out in the document, although we feel an additional objective needs to be added – see section 7 below.

2.3 Users support the idea of making the Office for National Statistics (ONS) a non-ministerial department. However this must be accompanied both by satisfactory arrangements for all the statistics which are not produced by the ONS and by arrangements which give enough authority to government statisticians to enable them to operate independently in practice. We do not feel the proposals set out in the Consultation Document meet these tests. Neither do we feel that the proposals are adequate to make a substantial improvement in public confidence in official statistics.

2.4 The UK statistics system is highly fragmented, due partly to the existence of the different nations within the UK and their different constitutional and practical arrangements, and partly to the decentralised tradition of statistical collection. A strong central body is needed to hold the system together and to present statistics to users in a coherent form. It is clear that over the last few years the centre has not always been strong enough to carry out this function (for example in regard to the 2001 census) and this issue is not addressed in the proposals.

2.5 There are indeed certain current features of the UK statistical system which are widely felt by users to be unsatisfactory. The proposals as set out would not only perpetuate some of these features but by enshrining them in legislation would make future improvement more difficult.

3. Statistics outside the ONS and national statistics

3.1 In users' views the arrangements proposed for statistics produced outside the ONS are not satisfactory. We accept that there are advantages in continuing a decentralised system of statistics collection but these must not damage the overall coherence of the statistical system which needs to be considered in its entirety. Statistics produced outside the ONS include such crucial areas as health, education and crime. Their management both should be central to any independence proposal and will need to be if the new arrangements are to improve public confidence.

3.2 The goal of national statistics was not only to produce a set of statistics according to a rigorous code of practice but a set which provided an adequate description of society and the economy. To enable ministers, rather than the National Statistician or the proposed Board, to decide which data should be so designated risks undermining the second of these goals and is not consistent with the concept of independence.

3.3 As a separate point, the concept of "national statistics" is confusing even to professional users. The division between what is designated as "national statistics", and what is not, often seems arbitrary. To take one example, quarterly NHS waiting list statistics are "national statistics"; monthly figures are not.

3.4 All official data, particularly all regularly produced data, should be produced and published in line with a proper code of practice. Public confidence is not helped by having "second class" statistics which do not have to adhere to such norms, particularly when they refer to such sensitive areas.

3.5 Many users question the whole idea of whether making a division between "national statistics" and other official statistics is helpful; a further division in an already fragmented system. It is not a distinction the general public understand. Indeed not all professional users are fully aware of the distinction and all find the way in which it is applied confusing. The name "national statistics" itself is often misunderstood and taken as meaning either UK-wide statistics or statistics produced by the Office for National Statistics.

3.6 It should also be noted that some official statistics, for example many health statistics, are produced outside government departments. These too need to be produced to the highest standards and in line with a code of practice. (We understand that the Health Statistics User Group plans to submit a memorandum commenting on issues relating to health statistics in more detail.)

4. Cross-UK statistics and the devolved administrations (Consultation Document 4.46-4.47)

4.1 The lack of coherent statistics for the different parts of the United Kingdom is a long-standing problem that is not improving. It is a major source of frustration for professional users and of confusion for non-professional users. Statistics for the different countries are often produced on different bases making both comparison and aggregation impossible. So called "UK" or "British" statistics may in practice refer to the UK, Great Britain, England and Wales, or even just England.

4.2 The Statistics User Forum can provide a number of examples of anomalies. One important instance of where the situation has deteriorated since devolution was the

experience of the 2001 census. While we understand measures are in place to prevent a repetition of this, means need to be found to prevent similar instances occurring elsewhere and to tackle this long-standing problem.

4.3 The lack of coherent information across the UK can undermine government policy making, and prevent sensible business decisions. For example:

- If devolved administrations opt for different policies in a certain area it should be possible to have sufficiently comparable statistics for outcomes to be assessed so that it can be seen whether the policy of one administration was more effective than that of others.
- If the Barnett formula for allocating public spending is ever replaced by a “needs-based” system, the fact that indices of social deprivation are compiled differently in the different countries would prove a serious hindrance
- If a business is considering expansion, then lack of comparable data could inhibit the possibility of expanding outside England.

4.4 In addition to undermining the quality of information within the UK, this often prevents the UK meeting its international obligations.

4.5 There should be a clear aim to produce statistics across the UK on a common basis enabling both data for the UK as a whole and comparison between the different countries. Exceptions would only be made where it is impossible for structural reasons (different legal and education systems) to produce coherent data. This would not, of course, prevent additional data being compiled to meet the specific needs of any individual country.

4.6 We understand that the Devolved Administrations have legal powers over statistical matters in their countries and that this limits the extent to which this problem can be addressed by legislation in Westminster. Nevertheless the problems are extremely severe and longstanding. Leaving matters as they are, as suggested in the Consultation Document, is not sufficient.

4.7 These problems together with the decentralised nature of the statistical system reinforces the need to have a strong central organisation, plus user presence in governing bodies (see section 6) and thorough scrutiny of the whole system (see section 5).

5. Governance

5.1 As indicated, we welcome the proposal to turn the Office for National Statistics into a non-ministerial department (NMD). However, we have serious concerns about the proposed system of governance and in particular the functions of the Board.

5.2 The proposals suggest that the Board of the NMD has responsibility for both the delivery of statistics and for ensuring quality and adherence to standards. We do not believe it is good governance that the same body should be responsible for both functions. Neither is it conducive to restoring or maintaining public trust in the system.

5.3 The proposed disappearance of the Statistics Commission would eliminate a check on the system while replacing it with a system that would appear, at least, to be weaker.

5.4 Further, we do not believe that the proposed system would provide sufficient support to official statisticians in carrying out their duties to a high professional standard. There are times when the media unfairly criticises UK statistics or makes overly much of a particular shortcoming. A clearly independent system of scrutiny or audit would help to balance that.

5.5 Such a system is particularly needed to support official statisticians on those occasions when the Chief Statistician's decision directly affects a high-profile measure of government performance. One example is the classification of various forms of public spending which can affect whether the Chancellor is managing to keep to the "Golden Rule". (For example: the 2005 decision that maintenance spending on roads should be viewed as capital not current expenditure or the earlier decision regarding the treatment of Network Rail.) Automatic audit of such decisions that appear favourable to the government, by a body clearly perceived to be independent, would help avoid charges of undue influence.

5.6 The Consultation Document proposes that Parliament should play the central role in holding the statistical system to account (paras 4.38 to 4.41) and suggests that this might be done through annual reports, parliamentary questions and regular appearances by the Chief Statistician and the Chairman of the Board. Yet given the pressures on parliamentary time, MPs will have limited time to devote to statistics or to investigate any issue of concern.

5.7 For all these reasons most users believe that the proposed system under which the Board is responsible for both delivery and oversight will result in an inadequate level of scrutiny.

5.8 One suggestion is that the proposed Board for the NMD should have an "oversight only" function leaving delivery matters to the Chief Statistician. This has some limited support but most users believe that it will not be adequate. Even if the system functions well in practice it will not be perceived as being independent. For the board to have the role of public scrutiny of the system, and hence potentially, on occasion, of public criticism of it, could damage working relations between it and the ONS.

5.9 Most users therefore believe that a separate body is required to carry out the function of scrutiny of the system. This should be seen to be independent and have sufficient authority, for example the sanction of an adverse report to Parliament, to give its opinions weight.

5.10 One possibility is that the Statistics Commission, which has done good work and been alert to views of users but suffered from limited authority and an unclear role, should be retained in a strengthened form. The annual grant in aid of the organisation is just £1.3m which seems cost-effective.

5.11 Another possibility is to see a body established on similar lines to the National Audit Office (possibly even an extension to the NAO) having the role of scrutiny or audit of the system.

5.12 In summary, many users believe that there are three separate functions which should be the responsibility of three separate entities:

- Delivery (including the maintenance of professional standards) - which should be the responsibility of the National Statistician and the GSS.
- Policy – the responsibility of the Board. This should include forward looking strategic reviews, taking account of the needs of all users, to see how the statistical system needs to evolve to cope with changes in society and the economy.
- Scrutiny/audit – the responsibility of a third body

6. The role of users

6.1 Statistics are a public good. Users have an important contribution to make in ensuring that statistics are relevant, effectively distributed and of good quality. The interaction between government statisticians and various user groups has proved to be highly productive in improving and extending scope, relevance and quality of the statistics concerned and in helping users to have a better understanding of data.

6.2 However, users believe that while this system generally functions well as regards individual series there is insufficient non-governmental user input into high-level planning and clear user needs are not always paid adequate attention. The problems with the lack of coherence for statistics across the UK (see section 4 above) and the ONS website are just two examples of this. While the Consultation Document suggests the proposed board should, among its many responsibilities, bring a perspective on user needs (para 4.30) we think this is far from adequate.

6.3 The government statistical system has been largely set up to meet the needs of government. If national statistics are properly to fill the role of underpinning democratic debate (para 1.3 of the consultation document) then other users must be recognised as customers in the full sense of that term, with structures and funding put in place to ensure that their needs are identified, evaluated and implemented.

6.4 A clear role for users is also important to counteract the inevitable “producer bias” of a very fragmented system and to ensure that statistics presented to non-government users are coherent.

6.5 We recommend that provision for a formal user consultative process is built into the system; for example, there could be a board committee reflecting the interests of users. Such a body would be able to bring a wide perspective and help ensure the relevance and adequate dissemination of statistics.

7. The importance of user access

7.1 The Statistics User Forum believes the principle of facilitating user access should be included as one of the “key objectives” (para 4.17). No matter how good the quality of statistical data the system is failing in its purpose if it is not easy for users,

whether professional or amateur, to find the data they need and understand what they refer to.

7.2 The ONS website, for example, has been the subject of much criticism with even professional users not always finding it easy to find the right series. Librarians tell us they frequently find that non-professional users are unable to use the website without help. These problems have been brought to the notice of ONS and we understand that provision has been made for a new website. However, progress has been very slow and we do not think this has had the priority it needed.

7.3 The complex organisation of UK statistics and the multiplicity of sources make well-planned access imperative.

8 Appointment of the Chairman, Chief (National) Statistician and board members

8.1 The Forum welcomes the proposal that the Chairman and the Chief (National) Statistician should be appointed by the Crown. However, we believe that this should not just be on the advice of ministers, which would be counter to the principle of independence, but with an element of cross-party consultation. Equally the principle of ministerial appointment for the remaining board members is inconsistent with independence.

9 Funding

9.1 While welcoming the moves towards stable funding some users are concerned that the lack of a strong ministerial champion could risk under-funding of what is a vital but not politically high-profile function. Effective statistical processes require stable and foreseeable funding. With due regard to the need to constrain public expenditure, funding must also be adequate. The “Rayner” cutbacks in the 1980s are widely recognised to have had a seriously detrimental impact on official statistics while in more recent years the Office for National Statistics has experienced fluctuating finances. It is required to make efficiency savings of £25m following the Gershon review which is around 8% of its overall budget – a substantial cut.

10 Access for statisticians to administrative data

10.1 The Consultation Document does not envisage increased access for statisticians to administrative data (paras 4.25-4.29). In users’ view this is a fundamental mistake. Increased access to such data would bring clear advantages to improving cost effectiveness and statistical quality (use of Department of Work and Pensions data has already demonstrated this). There are well-established provisions in statistical practice for protecting the confidentiality of individuals and individual entities.

11 Release practice

11.1 The problems of statistical release including pre-release access to official statistics by ministers and others have been raised by other bodies. Users believe that actual and perceived abuse of the system has contributed to the lack of public confidence in the UK statistical system. The User Forum does not wish to be prescriptive in its recommendations but it does believe that the system needs to be reviewed and firmer principles established, including:

- If pre-release access is to be maintained it should be as limited as possible both in time (two days is too long) and in the number of people with access (clear needs only).
- There must be a clear distinction between the release of the data and any related policy commentary which should be in separate press notices.
- The press notice with the data should be issued via the ONS press office

12. Other points

12.1 The Consultation Document draws an analogy with the decision to grant independence in setting interest rates to the Bank of England. This is not an appropriate analogy.

12.2 The Retail Price index is currently an exception to other economic statistics in that scope and definition are the responsibility of the Chancellor of the Exchequer. This anomaly should end.

12.3 Users do not see the point of changing the title of the National Statistician to Chief Statistician – the latter was the title used in the past for the most junior senior management rank.

13. Conclusion and public confidence

13.1 While therefore welcoming the overall aim of the proposals, the Statistics User Forum does not believe that as they stand they will be adequate to improve public confidence. To do this, ministerial control over non-ONS statistics must be ended, there must be an independent system of scrutiny and release practices must be improved.

13.2 Neither do the proposals address some of the key shortcomings of the UK statistical system. The integrity and competence of UK official statisticians are both high but they are struggling with a very fragmented system. A stronger centre is essential. Non-government users, as well as government users, must have a clear role in the governance of the new system while facilitating access to statistics should become a key objective.

13.3 The Statistics User Forum urges the government not to enshrine unsatisfactory practices in legislation.

13.4 The Forum is ready to assist the government in discussing improvements to the proposals.

Appendix

Organisations that are members of the Statistic User Forum

Association of Census Distributors
British Society of Criminology
British Urban and Regional Information Systems Association (BURISA)
Business Statistics User Group
Chartered Institute of Library and Information Professionals
Demographics User Group
Finance Statistics User Group
Fire & Rescue Services User Group
Gender Statistics User Group
Health Statistics User Group
International Trade Statistics User Group
Labour Market Statistics User Group
Local Authority Research and Intelligence Association (LARIA)
Market Research Society
National Accounts User Group
Society of Business Economists
Transport Statistics User Group

Additional organisations including the Statistics Commission, Economic and Social Research Council, the CBI and the TUC are observers.