

INDEPENDENCE FOR STATISTICS RESPONSE BY THE ROYAL STATISTICAL SOCIETY

INTRODUCTION

The Royal Statistical Society (RSS) welcomes the commitment by the Government to legislate for independence for statistics. The goal is trustworthy statistics on which the public, parliaments and governments can rely to make decisions and to hold our representatives to account. This requires arrangements, backed by the force of law, that give the National Statistician clear statutory responsibilities for the statistical system, supported by an independent non-executive Statistics Board established to uphold the public interest and promote confidence in the statistical system. We believe that the proposals in the consultation document do not go far enough to meet the key objective to restore trust.

2. The RSS is both a learned and professional society, representing statistics and statisticians. To inform this response we have publicised the consultation in our monthly RSS News and on our website. We have held well attended open meetings in London, Cardiff and Edinburgh and received suggestions from many members. There has been a striking amount of common ground in the views expressed by a broad range of members of the Society. This response has been prepared on behalf of the RSS Council by the Society's National Statistics Working Party informed by the views expressed by members.

MAIN POINTS

3. Reform of National Statistics should rest on three main pillars:

- **Clear statutory authority for the National Statistician to deliver the statistics the public, parliaments and governments need.** The National Statistician should be Chief Executive of an independent Office for National Statistics, the ultimate authority on professional statistical matters with a statutory function to coordinate statistics across other departments and agencies in the UK.
- **A system of governance based on the broader public interest.** The Statistics Commission should be replaced by a new, statutory, independent, non-executive Statistics Board established to advise the public, parliaments and governments on the statistics that are needed and what needs to happen to make sure we get them. This Board should be impartial and authoritative, be set up to act in the interests of users and report to Parliament.
- **A statutory code of practice designed to restore trust.** Trust has been weakened because Ministers and policy officials have too strong a role in the selection, analysis, release and interpretation of statistics. A new statutory code changing the balance between the responsibilities of statisticians and politicians and policy officials in relation to statistics would help achieve this.

4. We argue, therefore, that:

- **The role of the National Statistician needs to be reinforced in legislation.**
 - **Fragmentation of the statistical system needs to be tackled and the place of ONS at the core of that system strengthened.**
 - **Scope should include all official statistics.**
 - **The system should be UK based and involve the Devolved Administrations**
 - **The Statistics Commission should be replaced with a statutory Statistics Board which is non-executive in terms of the production of statistics**
 - **A statutory Code of Practice should be put in place and deal with issues that undermine trust, such as current release arrangements for statistics**
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- **Funding arrangements should be transparent and secure.**
 - **Administrative data held within government should be made available for statistical purposes**

5. This document describes these key areas for reform in more detail and provides a detailed response to the options set out in Chapter 4 of the consultation paper.

THE KEY AREAS FOR REFORM

6. The role of the National Statistician needs to be reinforced in legislation. The National Statistician is an executive role that needs to be made responsible for delivery of the statistics required, including impartiality of presentation, objectivity of method and respect for confidentiality of data subjects. The consultation paper does not make this clear, indeed it represents a weakening of the current position. The National Statistician should:

- run ONS (as a statutory, non-Ministerial body linked to the Cabinet Office rather than the Treasury)
- coordinate the UK statistical system as a whole (with ONS providing full support for this function)
- ensure that users' needs (including emerging needs) are identified, evaluated and acted upon
- be the ultimate authority and professional leader on statistical matters throughout the system
- be the Government's Chief Advisor on statistics with access to the Prime Minister (and first Ministers) on matters of statistical integrity and coordination
- be UK representative on statistical matters
- in accordance with the United Nations Fundamental Principles of Official Statistics (7), be entitled to comment on erroneous interpretation and misuse of statistics both inside and outside government
- play a key role in senior appointments throughout the statistical system
- be appointed through a mechanism that fosters the widest possible support.

7. Fragmentation of the statistical system needs to be tackled and the place of ONS at the core of that system strengthened. It is essential that existing fragmentation of the statistical system is repaired. A coherent statistical system, with ONS at its core, designed to be responsive to changing needs is required. Many issues require information to be pulled together from a wide range of sources and analysed by a cross-cutting team of experts.

Examples include:

- public sector statistics – the Atkinson review has only started a process which must continue if relevant and well rounded information about the activity and performance of the public sector is to be available
- regional and local statistics – the Neighbourhood Statistics initiative and Allsopp reports have not yet lived up to expectations and require collaborative working across many departments and agencies across the UK
- immigration – several bodies have responsibility for statistics but the information needs more effectively to be brought together to give a clear picture of what is going on
- pensions – ONS has made a start in joining up and improving the information available but there is much more that could be done
- inequality – ONS and other bodies produce some excellent material but there are many examples of inconsistency and confusion that frustrates rather than illuminates debate

More generally, the more that can be done to ensure a common approach to public presentation, access and standards, the better users will be served.

8. At the same time, there are real benefits to be gained from engagement of professional statisticians in support of policy making and delivery in government departments. This leads to the conclusion that ONS should remain within the civil service but with a clear and well understood statutory Code of Practice for everyone working on National Statistics inside and outside ONS. The boundary of what is done inside and outside ONS should be kept under review to ensure that the system as a whole effectively meets user needs.

9. **Scope should include all official statistics:** the reforms should cover all those statistics on which the public and Government rely to make decisions and judgements about policy and the effectiveness of Government. Under a new model with a Statistics Board, that body will be well placed to speak up for the public interest and call for the statistics that users need to be produced.

10. In the current system it was assumed that over time Ministers would wish to include more statistical outputs as National Statistics. This has not been borne out over the last six years. If decisions about scope are left with Ministers, we are likely still to have patchy coverage based on the views of individual Ministers rather than the significance of the information to public debate. Under the current proposals Ministers are, in effect, being given the job of deciding whether the legislation should apply to them. In our view, the Board should have responsibility for safeguarding the public interest. It will not be able to do this without being able to make an assessment of what statistics are required, to call for that requirement to be met and then to satisfy itself that the statistics produced meet the requirement.

11. We reject the proposition that statistics which derive from the management of public services are inherently different and cannot meet the requirements of the National Statistics Code of Practice. If statistics merit release for public use, especially if they are being used as performance indicators, then they merit inclusion as National Statistics (an RSS report on performance indicators has analysed the requirements in this area (6)). Indeed it is likely that in future there will be more need for “real time” statistics based on administrative data where trustworthiness will be essential for such statistics to be useful.

12. **The system should be UK based and involve the Devolved Administrations:** European and international commitments require a focal point (the National Statistician) and domestic needs demand an ability to produce coherent UK-wide statistics and the ability to make valid comparisons between the countries of the UK. The whole system should take account of the needs of all users including the administrations and citizens in devolved territories.

13. The current arrangements have not delivered coherent statistics across the UK. In our view the situation is serious and worsening. This causes a problem both for those seeking information at a UK wide level and for the Devolved Administrations and others wishing to make comparisons across the UK. It impedes assessment of the success of devolution itself. It risks putting the UK in breach of its duties to the European Union. We do not agree that the existing concordat meets the requirement.

14. Joined up legislation is required across all competent legislatures within the UK. Such legislation may well involve the creation of separate National Statisticians for each of the constituent countries bound together by a formal agreement between the UK National Statistician and the respective executives of Scotland, Wales and Northern Ireland. Legislation also needs to take into account the needs of users in England and the roles of statistical agencies with an England-only remit.

15. **The Statistics Commission should be replaced with a statutory Statistics Board which is non-executive in terms of the production of statistics.** A Statistics Board should oversee the statistical system to safeguard the public interest. This means:

- the power to approve or reject business plans for the statistical system presented by the National Statistician
- the power to approve or reject a Code of Practice for statistics prepared by the National Statistician for approval by Parliament
- being able to advise on direction and priorities based on the needs of all users.
- keeping under review the scope of official statistics covered by these arrangements
- being forward looking and helping to improve the statistical system rather than being seen merely as a regulator
- scrutiny of the statistical system. This will include audit of compliance with the Code of Practice in ONS or any other part of the system on the same basis
- a duty to report to Parliament annually

- having members of the highest calibre appointed through a mechanism that fosters the widest possible support
- being funded and staffed separately from the statistical system itself

16. The role is distinct from the delivery and coordination role of the National Statistician. The consultation paper proposes a Board that has an executive function which muddles oversight and delivery. It is important that the oversight role is independent of those responsible for delivery in order to give public assurance. It is equally important not to have confusion of responsibility for delivery between the Board and the National Statistician.

17. If a new executive Board is created as proposed, it would be important to retain the Statistics Commission or establish another scrutiny body to oversee the Statistics Board. Only if the clear distinction between oversight and delivery is established should the Statistics Commission be abolished.

18. A statutory Code of Practice should be put in place and deal with issues that undermine trust, such as current release arrangements for statistics: Trust is weakened because Ministers and policy officials have too strong a role in the selection, analysis, release and interpretation of statistics. A new statutory code changing the balance between the responsibilities of statisticians and politicians and policy officials in relation to statistics would help achieve this. Not all reforms require legislation. The reform process provides an opportunity to make an early start with reform of the current counterproductive policy of allowing pre-release access by Ministers, advisors and officials to statistical releases.

19. The Code of Practice should reflect the content of the European Statistics Code of Practice (8) to which the UK is already committed.

20. Funding arrangements should be transparent and secure: Arrangements should be made to avoid concerns about political manipulation but nonetheless provide incentives to improve efficiency. A transparent presentation of the budget for statistics across all official bodies involved in their production across the UK, not just ONS, should be available

21. Administrative data held within government should be made available for statistical purposes: various reviews in recent years have made the case for reform, but it has been recognised that legislation would be necessary to provide access and also to provide the safeguards necessary to protect confidentiality and privacy. The statistical system should have access to administrative systems for statistical purposes (including where these have been contracted out) and should be legally required to afford this information the same level of protection as for data collected from survey respondents.

22. Clear mechanisms for use of microdata for statistical purposes will need to be laid down to ensure maximum use of information whilst safeguarding confidentiality and privacy, for example by making it an offence to attempt improperly to identify an individual data subject from statistical data.

DETAILED COMMENTS ON THE PROPOSED REFORMS

23. This section contains detailed comments on the options for reform set out in paragraph 4 of the Government's consultation document:

- **Objectives** (4.1-4.4): we agree with this as far as it goes but would prefer a stronger statement focused on quality, trust and efficiency. In addition the key principles (set out in paragraph 1.9) should include coordination.
- **Structure of legislation** (4.5/4.6): the proposals made do not logically follow the objectives for reform. The Bank of England model is cited but the objectives of that reform were different. In particular the elements of reform as proposed do not establish the essential separation of the delivery role from the oversight role.
- **Benefits of decentralisation** (4.7/4.8): we support the arguments made here but note that the "current" system needs further strengthening to be effective. If the benefits of a decentralised system are to be gained then legislation and other

mechanisms need to be put in place to overcome the disbenefits. The central argument is about the maintenance of a single statistical system that manages any tension between relevance and integrity in the public interest rather than just in the, more narrow, Government interest. Some agencies of government that produce statistics have separate governance, with their own board. There is the risk of further fragmentation of the system unless it is made clear that these bodies are an integral part of the system with a professional line of accountability to the National Statistician and a duty to cooperate with other parts of the system.

- **Accountable to, not within, Parliament** (4.9): we agree. Parliament should be plural to cover devolution.
- **Integrated independence** (4.10): we agree on the need for independence both of delivery and oversight but consider that this sentence does not cover the whole system properly. The use of the word “statistics office” is wrong.
- **A Non-Ministerial Department** (4.11): we agree with the substance of this proposal. It is important, however, to recall why ONS was titled the Office **for** National Statistics – it is the office that supports the National Statistician in delivering National Statistics – some of which are collected within the office and some of which are not. The words used here could imply that this subtlety is lost and somehow the statistics produced by ONS are of a different type to those produced outside ONS and that ONS does not have a system wide responsibility. This is exactly the opposite of what is needed.
- **Oversight of the Non-Ministerial Department** (4.12): we agree that the Statistics Board should oversee the NMD but do not agree that this is an executive function. Furthermore the words used again imply a difference between those statistics collected within ONS and those collected outside it.
- **Civil service status** (4.13): we agree
- **Scope (Code of Practice)** (4.14): we agree that there should be a statutory Code of Practice but consider that this will require a new Code to be developed by the National Statistician for endorsement by the Statistics Board and Parliaments. Simply turning the current Code into a statutory code would not meet the requirements given its current weaknesses.
- **Scope (responsibilities)** (4.15): the process described here replicates the existing position which has not lived up to expectations. The implication is that there will be a list of statistical series that will be within scope and this will be decided bottom up by Ministers on a case by case basis. ***In effect Ministers are being given the job of deciding whether the legislation should apply to them.*** In our view, the Board should have responsibility for safeguarding the public interest. It will not be able to do this without being able to make an assessment of what statistics are required, to call for that requirement to be met and then to satisfy itself that the statistics produced meet the requirement.
- **Roles and responsibilities** (4.16): the role of National Statistician is not mentioned and yet this is the critical role within an effective statistical system. The proposal gives the Board different responsibilities for statistics produced by the NMD to those produced by others. We disagree with this. We agree that the role proposed for Parliament is right and needs to be stressed.
- **The Board** (4.17.4,18): we agree that the objectives for the Board require careful consideration. The words proposed mix delivery and oversight. We firmly believe that these should be separated. The words proposed also provide for different roles for statistics produced by the NMD and those not produced by the NMD. The Board’s role should be consistent across the system.
- **The statistics office** (4.19): this section implies that the new Board is little different in its role to the existing ONS board of management. Since the proposals are accompanied by the abolition of the Statistics Commission, the result would be to reduce the opportunities for Parliamentary accountability, since the Board and the National Statistician (as Chief Executive of the NMD) would be representing the same interests. This paragraph highlights the importance of a clear distinction between executive and oversight functions.
- **The National Statistics system** (4.20): this section implies that the Board and the NMD will have no responsibility for the production and dissemination of statistics outside the NMD. ***This appears to be even weaker than the current***

system which provides for the National Statistician to coordinate the system as a whole. The coordination role needs to be strengthened if the system is to adapt to meet rapidly changing needs.

- **Assessing quality and integrity** (4.21): we agree with the general tenor of this proposal. We also agree that it should be for the Board to establish a programme of assessments designed to enable it to meet its functions. Reform of statistics provides an opportunity to define clearly the boundary between the Statistics Board and the National Audit Office (and other audit bodies such as Audit Scotland and the Audit Commission). There has been some public confusion in this area which could be readily dispelled.
- **Advising on areas of concern** (4.22): we agree that the Board should have the power to advise on areas of concern. The key target for their advice in the new model should not be restricted to Ministers. It should be targeted at whomsoever the Board considers is the source of the concern or the body with the power to deal with that concern.
- **Overview of coverage** (4.23): this proposal appears to be substantially weaker than the present arrangements. The proposal notes the current responsibility that the National Statistician has for producing a coherent high-level programme for National Statistics and the role that the Statistics Commission has to comment on that programme. The proposal is to combine these roles in the Board and to describe the task as to “maintain an overview of the broad coverage”. In our view there is a need for clear separation of roles between the National Statistician (to take responsibility for delivery of the development and delivery of a programme) and the Board (to agree the programme and hold the National Statistician to account for delivery).
- **Minimising business burden** (4.24/4.25): we agree on the proposals to minimise the burdens on those who supply data (so long as these are weighed against the public benefit – otherwise nothing will be collected). To give effect to this requirement we believe three complementary elements are needed: (1) powers to collect information (and enforcement procedures) – if response rates can be assured, quality is enhanced, sample sizes for a given level of quality are reduced and respondents feel less resentful that others are “getting away with it”; (2) a duty to assess whether the information is already available elsewhere; (3) access for statistical purposes to information already held elsewhere (especially administrative data). Similar issues arise in respect of data collected from institutions and households. Current legislation is fragmented and inconsistent. It should be consolidated.
- **Data access and confidentiality** (4.26–4.29): the case for providing access to administrative data for statistical purposes has been made over many years and is getting stronger. The case for the future abolition of the population census rests on it as did the establishment of the cross government Neighbourhood Statistics programme. Statisticians need access to individual records in order to undertake their analysis but have no interest in the identity of any individual. There are well established practices which ensure that information shared for the purpose of creating aggregate statistics does not breach confidentiality requirements. The use of information in this way is recognised in data protection legislation. Access needs to be covered in statistics legislation in order both to allow statisticians to reuse information that is already available and to protect confidentiality and privacy. The Board could be given a duty to provide ethical oversight, but it has to be noted that existing procedures are exhaustive often to the point of total frustration for the statisticians involved.
- **Pre-release access to statistics** (Box 4): public confidence is affected by perceptions of political interference in statistical production, so this must be seen as quite separate from policy processes. UK practice is out of line with best international practice and with IMF data dissemination standards. In addition, pre-release access gives Government an unfair advantage in presentation since “first with the news, makes the news”. There should be no pre-release access to statistics by anyone (including Ministers and policy advisors) outside the statistical production team until the statistics are released generally. The RSS also considers that statistics released by policy departments should be released

from a central, policy-independent press office such as that operated by ONS (and permanent access secured through the ONS website).

- **Board structure** (4.30): we consider that the members of the Board should be of the highest calibre able to bring a wide perspective on user needs for statistics and the public interest.
- **Non-executive chair** (4.31): we agree that the non-executive chair need not be a statistician. Indeed it is essential that the role and the person should not be put in the position of providing a competing voice to the National Statistician as the ultimate professional authority on National Statistics.
- **The Chief Statistician** (4.32): we agree that this role should provide specialist professional statistical experience at the highest level. We agree that the postholder should be the Chief Executive (and Accounting Officer) of the NMD and Chief Statistical Adviser to the Government (as a Permanent Secretary). We agree that the postholder should be head of the Government Statistical Service. The postholder should attend meetings but not be a full member of the Board. The postholder should also, as now, be the UK representative in EU and international statistical fora. It will be important to ensure that all the functions of this role are carried forward from the existing Framework Document, especially those relating to coordination of the statistical system. The proposed change of name to "Chief Statistician" is unhelpful in the UK context – Chief Statistician is the traditional name for the most junior members of the Statistician Group who are in the senior civil service, it does not convey that this is a unique nationally significant role.
- **Independence of assessment** (4.33): we agree.
- **Independent appointment process** (4.34): we agree, and suggest that the proposals could be further enhanced if the National Statistician appointment was made by the Queen after consultation with leaders of Opposition parties and First Ministers.
- **The Government Statistical Service** (4.35): we agree that the reforms provide an opportunity that should be grasped to strengthen the GSS and especially to encourage interdepartmental moves and secondments. This could include encouragement for members of the GSS to hold recognised professional qualifications, such as CStat, as a generally expected part of professional development.
- **Heads of Profession** (4.36): it is unclear whether the different words used here imply any change in current practice. The RSS considers that all Heads of Profession should be jointly appointed by their department and the National Statistician, ideally through secondments from the NMD which is where the largest body of professionally qualified individuals will be. It could be desirable to go further, especially in departments where there are significant concerns about public confidence, and make the National Statistician responsible for the appointment of the first two tiers of statistical management, after consultation with the department.
- **Professional accountability** (4.37): we agree and consider that this will be much more effective if the National Statistician has a clear responsibility for appointments.
- **Parliament** (4.38-4.41): we support a clear and strengthened role for Parliament in the new arrangements. We agree that the National Statistician should continue to answer Parliamentary Questions by letter subject to finding a satisfactory method for their formal presentation. It is by no means clear to us that "Treasury Ministers would, of course, retain responsibility for answering questions specifically related to the Government's statistics policy." Given the role of the statistical system, ONS should be linked to the Cabinet Office rather than the Treasury.
- **Funding** (4.42-4.45): we agree with the criteria for determining the future funding mechanism. We do not agree with the proposals set out. The proposal is that extra funding is provided for statistics that the Government wants but that extra funding is not provided for statistics required by others. We consider that this will undermine the perceived independence of the system, and impede the Board's role in ensuring that the statistical system meets the broader public interest. We

consider that the initial level of funding should be determined by a joint review involving parliaments and include core ongoing funding for infrastructure spending (such as technology systems). We do not support the proposal that the population census be funded through the normal Spending Review process – census development is a long term process and the profile of expenditure must be decided well in advance of the usual window of the Spending Review.

- **The Devolved Administrations** (4.46-4.47): the current arrangements have not delivered coherent statistics across the UK. In our view the situation is serious and worsening. This causes a problem both for those seeking information at a UK wide level and for the Devolved Administrations and others wishing to make comparisons across the UK. It impedes assessment of the success of devolution itself. It risks putting the UK in breach of its duties to the European Union. We do not agree that the existing concordat meets the requirement.
- **The Statistics Commission** (4.48): we agree that the Statistics Commission can be wound up once the new arrangements are in place, but only if the new Board has an oversight rather than a delivery function.
- **The Registrar General** (4.49-4.51): we agree that the Registrar General's functions should be separated from those of the National Statistician. The functions that need to be transferred to the NMD go much further than the population census. These include the functions to conduct social surveys and to access administrative data for the purposes of monitoring the number and condition of the population which currently rest with the Registrar General as do the powers in relation to vital and population statistics. The 100 year rule for release of Census records also needs to be carried forward. Functions should be transferred to the National Statistician (as the professional, executive authority with responsibility for delivery) rather than to the Board.
- **Legal ramifications** (4.52): a wide range of powers currently restrict access to information in ways that are inconsistent with the objectives of these reforms. These inconsistencies need to be reviewed and consequential amendments incorporated.

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