

## STATS BILL – FIT FOR PURPOSE? HELP US, O LORDS

The legislation resulting from the consultation on 'Independence for Statistics' (published March 2006) – **Statistics and Registration Service Bill** – had its First Reading in the Commons on 21 November 2006, its Second Reading on 8 January 2007 and its Committee Stage progressed on 16, 18, 23 and 25 January, when some 200 tabled amendments were discussed in grouped blocs. A further 20 amendments/new clauses were tabled on 30 January. Its 43 pages consist of 3 Parts, 73 clauses and 4 Schedules. Part 1 deals with the proposed new Statistics Board (a Non-Ministerial Department – 64 clauses), Part 2 with revisions to the arrangements for the Registration Service (which is concerned with births, deaths and marriages – 5 clauses) and Part 3 with repeals, commencement, extent and short title – 4 clauses.

Its main intentions are to safeguard and reinforce trust in statistics, to provide a statutory code of practice, to facilitate greater sharing of administrative data, to tighten pre-release arrangements, and to ensure UK-wide development of the system.

There will be a need to get used to new nomenclature – the ONS will be replaced by a Statistics Board (SB? New logo and widespread associated new graphics?)

Following the progress of the debates, which attracted contributions from 29 members in the 2nd Reading and 12 (of the 21 on the Committee), many of them the same, during the Committee Stage in the course of which there were 14 voting divisions, the wording of the Bill remained largely and materially unchanged ie the amendments were withdrawn or defeated in votes. With the Report Stage and Third Reading to come, expected during February, when whatever proposals already put forward may appear again and may be put to the vote on the floor of the House, the only hope for material changes may lie in the treatment the Bill receives in the House of Lords.

The original Bill's full text is available at <http://www.parliament.the-stationery-office.co.uk/pa/cm200607/cmbills/008/2007008.pdf> and of the text as amended at the Committee stage at <http://www.parliament.the-stationery-office.co.uk/pa/cm200607/cmbills/008/2007051.pdf>

The Statistics Commission's plans include the preparation and publication of a report offering advice, based on its experiences, for various aspects of the functioning of the new arrangements such as serving users better, securing better data and public trust and promoting better governance as well as development of the four-country concordat and suggestions for the new Code of Practice.

## EDITORIAL

### KILL BILL, VOL. 1?

After the lengthy process of documentation, consultation, and argumentation, the legislation creation process, culminating in promulgation, is here at last. There has been very little serious media coverage of **The Bill's** contents or the parliamentary discussion of it. Perhaps there has been too much other headline-grabbing 'news' or the technicalities of statistical mechanisms are considered to be just too dull for even 'intelligent' readers to stomach. However, interested specialists have not been standing idly by. They have scrutinised the clauses and sub-sections and have selected those principles to concentrate on in lobbying to effect improvement before the once-in-a-lifetime opportunity is lost and the contents become 'tablets of stone'. Many of them were included in the consultation submissions but have been cold-shouldered by the parliamentary draughtsmen. Furthermore, the Committee Stage which has recently concluded has resulted in a virtually complete stonewalling of the numerous

amendments tabled. The main points of contention include: wide scope and definition of 'National Statistics', pre-release conditions, ensuring maximum availability of UK-wide data, potential conflict between the Board's dual roles of delivery and supervision. And users get no mention but are hopeful that a communication channel will be forthcoming somewhere in the structure. One more heave, eh?

Sam Brittan, in a recent *Financial Times* essay discussing inflation, suggests that "The change in the inflation index [used as the MPC's target on Treasury instructions, from RPI to RPIX to CPI] has undermined the credibility of official inflation figures and of official statistics in general". One wonders how the legislation will improve 'trust' in such circumstances.

Footnote: A Treasury spokesman was quoted recently in a Sunday paper as referring to "the independent Office for National Statistics". Oh yes? And the legislation isn't enacted yet.

## COUNTING YOUR BLESSINGS

Professor Andrew Oswald (Warwick University) has found a way of counting 'happiness', which has become the latest 'fad' in economics. It can be measured in monetary terms eg if on a scale of 1-10 this year you say '5' and next year your pay doubles from £20,000 to £40,000, you may feel '6'. If the following year you are fired, your happiness may fall to '2' and its value in 'unhappiness' may be £80,000. Getting married may bring happiness equivalent to additional income of £70,000 per annum. Unhappiness due to widowhood could take an extra £170,000 per annum to offset – or in non-monetary terms, equivalent to 17 years-worth of unemployment. Oswald's favourite cartoon, which illustrates Man being a social animal, shows an employee bellowing at his boss "I was so happy when you gave me a pay rise, then you spoiled it by giving it to everyone else."

To quote Nick Cohen's article in the *New Statesman* (5 January 2007) on his interview with Oswald, "In the past economists counted growth figures and household incomes and assumed if they went up, society's contentment went up with them. Oswald and his colleagues have blown that out of the water and force people to look elsewhere. We are ruled by statistics; by changing what is counted, Oswald is also changing what will count."

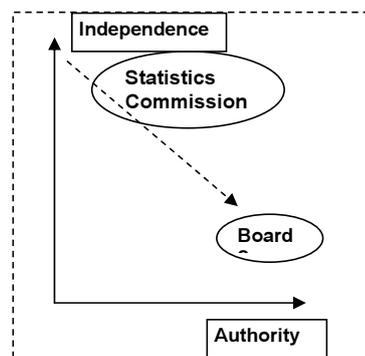
# NEWS FROM THE STATISTICS COMMISSION

## THE REFORM OF STATISTICAL GOVERNANCE

The Statistics Commission's Open Day (15 November 2006 at 11am) on the theme of 'The Reform of Statistical Governance', coincided with the State Opening of Parliament. This meant that although Michael Fallon (Chair of the Treasury Sub-Committee), the opening speaker was in his seat on time, the closing speaker, John Healey (Financial Secretary to the Treasury), arrived late and was not present to hear previous speakers. Fallon, whose Committee had produced a hard-hitting critique of the Treasury's response to its consultees paper, said that the test of the new arrangements would be whether public trust in official statistics would improve. He pointed out that a number of issues had been ducked – the status of the National Statistician, the role of the Board, whose powers need to be stronger than those of the Statistics Commission; the plea that defining National Statistics was 'too difficult' was rubbish; the composition of the Board needs to separate supervisory and executive functions, otherwise there was a strong case for retaining the Commission or a need for new Commons Committee; the funding arrangements, hitherto dependent on the Treasury, would be improved with Non-Ministerial Department status, but there would still have to be a sponsoring minister; and then there was the whole question of pre-release.

Professor David Rhind (Statistics Commission Chair) reviewed the Commission's achievements but said there was no 'silver bullet' to achieving public trust improvement. He listed the challenges for the new regime: joined up statistical planning and funding; the new National Statistics Code and assessment of departmental practices; avoiding conflict of interest between ONS production and scrutiny of the whole system; whether the Board could speak openly on statistical issues; whether the Board will have the necessary resources; the scope of National Statistics, the professional accountability of the National Statistician; co-ordination with the devolved administrations; data sharing and access to administrative data; pre-release access.

He outlined the Commission's plans for 2007 he thought it would continue until at least the end of the year. Topics include: consultation on the Code with a view to being able to offer advice to the Board, which will have to take the necessary decisions – it needs to be applicable to departments and agencies, be simpler, clearer and more accessible, consistent with the EU and UN Codes; review of the accessibility of official statistics; risks facing the 2011 Census; review of immigration statistics; review of statistics consultation exercises. His diagram illustrates the transition from present to future.



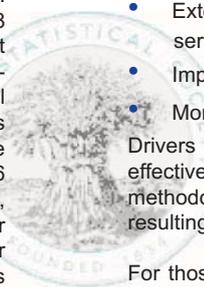
Sir Kenneth Calman, (Statistics Commission) reflected on his interest in official statistics as a Commissioner and a user.

John Healey (Financial Secretary to the Treasury) announced that the government's response to the public consultation had been published that day and the Statistics and Registration Services Bill would be published shortly. He gave a broad outline of the terms of the proposed legislation and this prompted some questions from the floor.

## NEWS FROM RSS

### 100 YEARS OF UK CENSUS OF PRODUCTION

At a meeting on 20 November 2006, **Stephen Penneck** and **Paul Smith** (ONS) gave a presentation on '100 years of the Census of Production in the UK'. The first such census took place in 1907 to enable production levels to be compared to imports. Subsequently Censuses occurred in 1912, (after several intermediate abortive attempts) 1924, 1930 and 1935. Interrupted by 1939-45 War, there was a resumption in 1948 with plans for annual censuses thereafter but this arrangement lasted only until 1958, when a reversion to a quinquennial pattern was instituted. From 1970 to 1997 the practice of annual enquiries was reinstated. From 1998 onwards the series was replaced by Annual Business Enquiries. In parallel, there were Censuses of Distribution (retailers) in 1950, 1957, 1961, 1966 and 1971. In addition surveys on wholesalers (1959, 1965, 1974, 1978), caterers (1969, 1964, 1974, 1978) and motor traders (1967, 1972 1977) paved the way subsequently for more frequent coverage of distribution and services. (Editor's note. Our readers will be well aware of the seismic shift in official statistical coverage from production industries to services. The authors' work will provide access to sources of information on how this came about.)



In tracing the history from past records, a number of common themes have become evident:

- Increasing concern about compliance costs
- Increased use of sampling
- Extension to more comprehensive coverage of services
- Improved timeliness
- More integration

Drivers have included greater attention to costs and cost-effectiveness, technological progress in survey and processing methodology, the development of business registers and the resulting changes in organisational structures.

For those interested, further details can be obtained from the authors. More detailed investigation may be undertaken at an accessible Archive Room at the ONS Government Buildings, Cardiff Road, Newport NP10 8XG, 01633 8122129 by prior appointment.

## FUTURE SBE MEETINGS

Tuesday 20 March 2007  
CIPFA, 3 Robert Street, London WC2 (6.0pm)  
**THE BUSINESS ECONOMICS OF CLIMATE CHANGE –  
AND HOW IT DIFFERS FROM 'CONVENTIONAL ECONOMICS'**  
MICHAEL GRUBB, Chief Economist, Carbon Trust

Wednesday 18 April 2007  
Competition Commission,  
Victoria House, Southampton Row,  
London WC1 (1.0pm)#  
**PRODUCTIVITY, INNOVATION AND COMPETITION**  
JOHN DAVIES, Chief Economist, Competition Commission

Wednesday 2 May 2007  
Royal Bank of Scotland (6.0pm)  
**TEN YEARS OF INDEPENDENCE**  
MERVYN KING, Governor, Bank of England

All enquiries about attendance (#booking essential) or membership: Society of Business Economists 01264 737552 or admin@sbe.co.uk

## INFLATION PERSONALISED

The first issue of **Economic and Labour Market Review** (January 2007), which replaces **Economic Trends** and **Labour Market Trends**, contains an information package to help people better understand inflation. The package includes:

- An online personal inflation calculator to show people whether their household's inflation is higher or lower than the national figures.
- An article using new analysis to explain why individuals' experience and perceptions of inflation may differ from national figures and from each other.
- An article explaining how to analyse and interpret the monthly inflation figures.
- A redesign of the prices page on the NS website to help users find their way around more easily.

The personal inflation calculator will be available on the NS website and will be updated monthly, enabling households to obtain an indication of their own inflation rates. (It is not entirely co-incidental that the UK is now offering this service; the second article cited above gives references to Italian (November 2005) and ECB (February 2006) publications on the subject, but not the Eurostat Bulletin **Sigma** (Issue 01/2006) which reported the German 2005 initiative on just such a tool (accessible on [www.destatis.de](http://www.destatis.de)) – mentioned in **BSUG News 34**).

Whilst it is not possible to provide a precise measure for each household as this would require detailed information on their purchases and prices paid, it allows users to input their typical expenditure patterns across a broad range of items and thus derive their approximate inflation rate. However, performing such calculations is not for the mathematically-challenged percentage of the population, but the 'ready-reckoner' may become a useful contribution to those constructing a foundation course for the country's training providers.

Based on widespread user consultation, the new journal will be more 'article-focused' with just a few statistical tables but will be supported by extensive web-based tables previously found in the two previous publications.

Issues of **Economic and Labour Market Review** are available from [www.statistics.gov.uk/elmr](http://www.statistics.gov.uk/elmr).

## SIMPLIFICATION PLAN PUBLISHED

The **ONS Simplification Plan 2006: Reducing the administrative burdens caused by business surveys**, (53 pages) was published in December 2006. Some of its features were presented by Glen Watson at BSUG's meeting last September, which was extensively reported in **BSUG NEWS 34**. Appendix A of the Plan sets out the proposals intended to cover the years 2005/6 to 2014/5 under 16 headings, ranging from reducing the amount of data to be collected, smaller sample sizes, improving sampling efficiency, changing frequency of surveys and increasing use of administrative data. Estimated savings of each proposal are shown; a summary of the effects of these was illustrated in Figure 3 of the above-mentioned article in **BSUG NEWS 34**. The Plan will be reviewed and updated in October 2007 in consultation with stakeholders and the Better Regulation Executive.

## Operation 2007

by Mark Williams

Classification of Economic Activities (SIC), announced in 2002 (described in **BSUG News 20**, March 2003, with progress reported in **BSUG News 32**, May 2006) has been completed and will come into effect on 1 January 2008. It is the outcome of Operation2007 - a series of consultations started in 2002 and carried out in conjunction with the major revision of the European Union's industrial classification system, NACE.

The consultations involved many stakeholders: the National Statistical Institutes of all EU member states; the European Commission; in the UK, a range of government departments; the Bank of England; the devolved administrations; business and trade associations and other interested bodies; European Business and Trade associations.

The UK is required by European legislation to revise the SIC in parallel with NACE so that both systems remain identical down to and including the 4 digit class level. A further breakdown is provided for certain classes by the addition of a 5 digit subclass level. Both the UK SIC and NACE are completely consistent with the UN's International Standard Industrial Classification of all Economic Activities (ISIC) which has itself just been revised.

These revisions are motivated by the need to adapt the classifications to changes in the world economy. The revised classifications reflect the growing importance of service activities in the economy over the last fifteen years, mainly due to the developments in information and communication technologies (ICT).

Although the new classification comes into effect from the start of 2008, not all statistics will be published on the new basis from this time. There is a phased implementation to meet European Union legislative requirements. For more details on the new classification, go to the National Statistics website [http://www.statistics.gov.uk/methods\\_quality/sic/operation2007.asp](http://www.statistics.gov.uk/methods_quality/sic/operation2007.asp)

## PRODCOM Review

Consultation on the quarterly nature of PRODCOM was reported in **BSUG News 28** (April 2005). Now the survey has become the subject of a regular periodic review. Any user who would like to express views on it should request a questionnaire from Geoff Hutchings, PRODCOM, Room 2.301, ONS, Government Buildings, Cardiff Road, Newport NP10 8 XG, Tel: 01633 819921 [Geoff.Hutchings@ons.gsi.gov.uk](mailto:Geoff.Hutchings@ons.gsi.gov.uk)

## NEWS FROM THE NATIONAL AUDIT OFFICE

### PSA TARGETS NEED 'IMPROVEMENT'

Further to the Statistics Commission's draft consultation report on **PSA Targets: the Devil in the Detail** (January 2006), mentioned in **BSUG NEWS 31**, followed by publication in March of its final Report No. 29 with this title which had been modified in the light of comments received, the National Audit Office (NAO) issued a critical **Third Validation Report** on PSA Targets in December 2006. It concluded that over the last two years there had been next to no improvement in data quality used for measuring key aspects of its performance, saying "without good data, monitoring against targets becomes highly devalued." Having examined 46 targets across six departments, three quarters were broadly appropriate but more than half of them needed improvement in order to substantiate government claims to have achieved progress. Some data systems used for monitoring had either not been established or were not fit for purpose. It is planned to announce a new, slimmed-down set of targets as part of next summer's comprehensive spending review. The NAO's report is available on its website, [www.nao.org.uk](http://www.nao.org.uk).

# NEWS FROM THE STATISTICS USERS FORUM

## IMPROVING ACCESS TO GOVERNMENT DATASETS

On 18 January an array of speakers – representing users and suppliers – presented their views and perceptions of various aspects of government datasets to a well-attended gathering in the RSS Lecture Theatre.

**Mark Brown** (University of Manchester) described his experiences in developing the use of government datasets as a teaching tool to encourage students in the social sciences to use them in dissertations and for the education sector – undergraduates and teachers. There was a clear need for a larger pool of quantitatively-trained people, students and lecturers. While the supply of data had improved considerably since 2001, uptake had been slow.

**Yong Lee** (Kent County Council) referred to a DIKW model – Data → Information → Knowledge → Wisdom. By analysing enquiries received by his department, data provision was designed to meet needs. By way of illustration, he showed charts and maps generated to develop health and social care forecasts tailored to specific local areas.

**Martin Callingham** (Birkbeck College) emphasised that businesses were driven by the need to perform. They required: consistent national databases; a trade-off between timeliness and accuracy with more bias towards the former; recognised the importance of detail whilst respecting restrictions on disclosure; connectivity (social classification: used in market research ABC1C2DE vs government socio-economic groups) and easy access. He concluded with a list of detailed requests, for example, for free sample data from government surveys, and free on-line cross-tabulations.

**Alistair Allan** (University of Sheffield) said his aim as an information adviser was to manage and disseminate information, preserve and archive it, and to offer guidance and advice. His operations included: finding the right source, the best website, search engine and then page navigation. In relation to archives: were there permanent URLs? what were their update policies? How usable were websites in relation to their content management, accessibility, search accuracy? How easy were they to use by those with normal literacy and numeracy, by children or linguistic minorities? How effective were the 'help' facilities? And how easy was it to return to a given site?

**Ros Harper** (Statistics Commission) gave an overview of Stage 1 of the Commission's 'Use made of official statistics' survey. Its purpose was to investigate the extent to which such statistics influence decision making in public and private sector organisations. The work started with a literature survey followed by interviews with users. Typical users were in analytical roles and provided insights into specific topic areas. Their expertise and confidence in using data varied greatly. Official statistics were used extensively and regarded as essential. They were applied to monitoring, targeting, lobbying, resource allocation, planning, bidding for funds and policy development. The importance of timeliness was again mentioned. Also accessibility, on which a separate stage of the research was intended, and improved planning of data provision. Publication of the report was due in the Spring.

**Richard Laux** (ONS) outlined the general approach and policy on improving access and concluded by saying that a substantial Research Data Access Strategy was being prepared for consultation.

**Sarah Simonon** (ONS) gave a progress report on work relating to redesigning the ONS website to improve customer satisfaction. This started with research to gain better understanding of customers' needs, then addressing accessibility and usability aspects, leading to developing a clear navigation system, consistency in displaying key information, and a much-improved search facility. A user 'shopping list' emerged, including such requests as A-Z index rather than Themes, rapid access to data, preference for Excel rather than PDF, release calendar. 'One size fits all' is inappropriate. Some users need data rapidly; others seek the ability to do extensive thorough research.

The presentation concluded with examples of web pages from several other countries' NSIs, which indicated that introspection was no longer dominant.

Watch out for a new look after April 2008.

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[www.dtistats.net/bsug](http://www.dtistats.net/bsug)

## LET YOUR FINGERS WALK Update

### Evaluations of National Statistical Offices' Websites

The list of countries covered by Ed Swires-Hennessy on his website ([www.surfingwithed.org.uk](http://www.surfingwithed.org.uk)), which offers monthly reviews of National Statistical Offices' websites, was last updated in **BSUG NEWS 29**. The table below shows which sites he has visited in the last two years.

	2005	2006
January	Germany	Italy
February	Iceland	-
March	OECD	Australia
April	India	Portugal
May	US Bureau of the Census	Japan
June	Uganda	Belgium
July	Malaysia	Norway
August	-	-
September	Bulgaria	Ireland
October	Sweden	China
November	Ukraine	United Kingdom
December	Bermuda	General review

The two latest reviews are particularly interesting. In November he revisited the UK ONS site after four years and was appreciative of some improvement but still critical of aspects which have not changed and could do with it. We shall have to await the outcome of the ONS review and redesign currently in hand based on consultation and 'mystery shopping' activities which are described in the SUF meeting report above. His December general review (his 100th edition) sets out what he sees as 'best principles' of statistical websites – in terms of design, navigation, data and text presentation, and contact information.

He welcomes comments and can be contacted via e-mail:  
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