

STATS WHA HAE WI' MARGARET LIED STATS WHAM BROWN HAS AFTIMES LED

by Ian Maclean

Rise from off your lazy bed on to victory, over those twin enemies of democratic debate – apathy and ignorance. Your government, recognising the right of the citizen to participate in the process of government through informed debate on key policy issues, has introduced a Bill, now proceeding through Parliament that will guarantee the integrity of an essential part of that information flow – official statistics.

Well the Bill doesn't exactly start that way; there is no uplifting preamble, no inspiring 'aims' about empowering open government. Mindful of the dull dreary public image of statistics among the general public the title sets the tone '**Statistics and Registration Service Bill**' and the explanatory notes are very matter of fact:

"The concept of National Statistics aims to provide an accurate, up-to-date, comprehensive and meaningful description of the economy and society of the UK, underpinned by professional standards as set out in a Code of Practice."

Neat and to the point, but it begs the question, why legislation? Don't we have that already?? Trust in statistics had featured prominently in the Green and White papers and the Ministerial Directive now, presumably, that we have a Bill before Parliament guaranteeing the independence of 'Official Statistics' we don't need to mention trust as the battle has been won. Would it were true. The Bill is almost there, but there are several hostages to fortune which could lead to conflict and loss of trust, notably

- pre-release access
- roles of Board and National Statistician
- scope

Pre-release

A real bone of contention, a running sore undermining trust. Most other countries are much stricter than the UK, but regardless of criticism from all sides the government has maintained its position.

Roles of Board and National Statistician

There is general criticism that the roles are not well-defined and are potentially conflicting, especially when we consider the role and scope of official/national statistics and the setting up of the advisory committees envisaged in the Bill. Who takes the lead? Does the Board decide strategy, with the National Statistician just responsible for production? Who is this Head of Assessment, given the responsibility for determining whether or not official statistics are to be awarded the

National classification? The position seems to be between that of St Peter, [whatsoever he binds in the boardroom will be bound in public] and a Grand Inquisitor. Why does the job have to be singled out, isn't quality assessment a core function of the ONS?

Michael Fallon MP, Chair of the Treasury Select Sub-Committee, speaking in one of the debates on the Bill, made a memorable and important observation about the status of the National Statistician:

"If we are serious about restoring trust to the office and its holder, we should be boosting it. **It should become one of the big offices of state.** I should like the National Statistician to become a household name – a key public figure in leading the profession and championing the public interest in statistics"

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EDITORIAL

PATIENCE PATIENCE (through gritted teeth)

As the Chinese proverb may have wished on us, we live in interesting times. The once-in-a-generation opportunity to introduce independence for statistics will shortly complete its 'tortoise and hare' (or perhaps it could be seen as a 'curate's egg and spoon') race towards getting the Statistics and Registration Service Bill onto the statute book. In the Commons, the dominant (voting) power on the government benches enabled virtually all the Opposition amendments, many of which reflected the overwhelming views expressed by those who sent the Treasury their submissions on Independence for Statistics, to be trashed or withdrawn. In the Lords, the going for the government has been a mite tougher, and it's not all over yet. The BSUG Chairman's 'sweet 'n sour' welcome for it and the ONS Work Programme on this and the next page demonstrates that there are glimmers of hope. Fair stands the wind?

USERS IN THE LIMELIGHT

It is encouraging that the tide has recently been flowing more strongly towards the interests of users. The Statistics Commission, which had already published several User Perspective Reports on health, education and crime in 2004 and 2005, has recently added one on **The Use Made of Official Statistics** and a forthcoming one on **Accessibility of Official Statistics**, which have investigated users' experiences and views. With luck, notice will be taken of the findings as the Commission intends to ensure that they will be included in advice it will be offering to the new Statistics Board, which the legislation will be creating

Scope

Trust is based on relevance as well as integrity/freedom from political interference. If the public are to participate fully in democratic debate then official statistics should be compiled taking the users' needs into account as well as those of Government. The Chancellor in a recent Andrew Marr Sunday morning interview emphasised his commitment to open government, envisaging a country of "active citizens ... empowered to talk, debate, discuss ...providing new ways of engaging people in the decisions that affect their lives". **Thought for the day – the Chancellor should be asked to write the preamble for the Bill.**

Looking at the Bill from the user standpoint reinforces the widely-expressed criticism that the limitation of the Code of Practice to National Statistics is not only arbitrary, but makes the re-establishment of trust that much more difficult as many of the most contentious areas – health, education, crime, are not in the National Statistics fold. If we accept the continuation of our decentralised system of collection, then the greatest care needs to be taken to ensure that the public has full access to relevant statistics held in the various Ministries – some 80% of official statistics. The Bill clouds the issue by suggesting that the various parties can work it out between themselves. With the ball starting in the Ministers' court, barriers are already in place. The only citizen-orientated basis is that the Board has the authority to ensure that all official statistics that enter the public arena comply with the Code. **The Board already has the authority 'to monitor the production and publication of official statistics [8/1] – if offered to it by Departmental Ministers – and to 'develop and maintain definitions, methodologies, classifications and standards for official statistics [9/1].** On this count the term National Statistics is little more than a kite mark. With a strong Board and strong Ministers, statistics could be a source of continuous controversy, to the detriment of the public reputation of statistics. The Board should be given the right to demand the statistics it regards as essential to fulfilling its role as the public guardian of the statistical service. One encouraging development is that the ONS Statistical Work Programme for 2007-08 is strongly user-orientated. The term 'customer' as well as 'user' has now appeared, an important change as it implies the positive assessment of user needs and the development of statistical products based on those needs. This shift is reinforced by the emphasis on 'issues' for the work programme, in particular the collecting together and development of statistics for

- Children and Young People
- An Ageing Population
- Measuring Societal Well-being
- An Intensified Programme to Measure the Output and Productivity of the Public Sector.

Will we see an ONS product 'Statistics for a General Election' in the next programme? If official statistics are not relevant at that time, when are they relevant?

Official Statistics, as an essential element in democratic debate, is an idea whose time has definitely come. Open government and the encouragement of a participating democracy are in vogue throughout the developed world. The UN Fundamental Principles for Official Statistics and the EU Commission's programme for Dialogue, Democracy and Debate illustrate just how strongly the tide is running. In many ways this vibrant background culture about open government and a participating democracy is more important than forms of words and the passing of the Bill in its present restricted form only means the loss of a battle not the war. There are definite grounds for optimism about the way the Bill can be made to work to users' advantage, but the user outside government is still a peripheral figure. The various mechanisms for identifying and evaluating user needs set out in the earlier Ministerial directive were largely ineffective window-dressing and the jury is definitely out on whether the Board will be any more proactive. There is the option in the Bill for the Board to set up advisory committees – hope springs eternal, but it would have been more encouraging if the **Head of Assessment had been given the specific additional task of safeguarding the interests of users.** Sadly we have not followed the European Union example of legally enshrining and protecting the needs of users by setting up the European Advisory Committee on Statistical Information in 1991!! and is currently engaged in replacing it with a strengthened organisation, the 'European Advisory Committee on Statistical Information Policy'. The draft Bill to be put before the European Parliament gives equal weight to all the stakeholders. The preamble states categorically that "Consultation of users and producers of statistical information is essential to preparing and developing Community Statistical Information Policy".

Article 2 notes that the Committee shall:

- deliver opinions on the relevance of the Community Statistical Programme in relation to the activities of the community and the sufficiency of resources needed to implement the Programme **if the scope, level of detail and costs of European statistics are commensurate with user needs.**

- draw the Commission's attention to areas in which it may be necessary to **develop new statistical activities to meet users' needs.**

This interest in users is not restricted to the EU Parliament. The German Statistical Office has the mottoes 'everyone counts' and 'statistics for democracy and tolerance', while the mission statement of the Italian Office is 'Statistics in the Service of the State', which brings us back to the UK Bill and Gordon Brown's remarks to Andrew Marr. The Chancellor obviously has the right sentiments so why the failure to ensure that the Bill [official statistics are his responsibility] enshrined the rights of the Public to reliable and relevant statistics? Was it an oversight? – the Bill has all the signs of being produced in a hurry – or are official statistics too politically sensitive to be allowed to escape from government control?

The distinction between official and national is arbitrary and irrational. All official statistics that are relevant to public debate should be under the firm control of the Board. Only then will the Bill achieve its aim of restoring public trust.

FUTURE SBE MEETINGS

Wednesday 22 June 2007

Annual Conference, Institute of Civil Engineers (9am-1.0pm)

HOW LONG WILL THE WORLD UPSWING LAST?

GAVYN DAVIES, Chairman, Fulcrum Asset Management;

JORGEN ELMESKOV, Director of Policy Studies, OECD;

AVINASH PERSAUD, Chairman, Intelligence Capital;

ROBIN NIBLETT, Director, Royal Institute of International Affairs;

MARTIN WEALE, Director, National Institute of Economic & Social Research

STATISTICS USERS UNDER THE MICROSCOPE

The Statistics Commission published its report in March on **The Use Made of Official Statistics**. This is composed of four parts: the first on the use of official statistics in decision-making; two sections contributed by MORI, the first based on a survey of 52 users, the second compiled from a literature search; and the last giving the results of a preliminary 16-interview pilot study conducted by members of the Commission staff, prior to MORI's larger survey.

The report's conclusions may be summarised as:

- Public, voluntary and private sectors make extensive use of statistics in decision making.
- Statistics are used in such areas as marketing, resource allocation, monitoring, policy development, benchmarking, targeting, lobbying, bidding, planning services and internal research. They can influence decisions as diverse as planning stock for supermarkets, determining the location of cash machines, considering fashion trends, or where to locate services.
- The range of statistics used both inside and outside government is wide.
- Official statistics are highly valued and respected for reliability and credibility.

What remains to be addressed includes: **improving accessibility**; and timeliness; **more effective engagement of users by government departments in consultations**; **improved communication between producers and users** to enhance mutual understanding of each others' constraints and pressures; **good statistical planning** arrangements which identify and take account of users' needs. It is these (emboldened) topics which the Commission proposes to put to the new Statistics Board as candidates for its consideration.

The 112 page Report is available on the Commission's website: statscom.org.uk.

The Commission's complementary report on **accessibility of official data**, using a 'mystery shopper' approach, and including a study of government departments' policies on accessibility and dissemination, is due to be published in May.

NEWS FROM HM TREASURY

STATS BILL'S STAGELY PROGRESS, during which bulls dig-in heels in reaction to much waging of red rags

If one had to rely on the media for keeping track of the progress of the Statistics and Registration Service Bill through Parliament, one would be ill-served. Never mind the broadsheets; *The Economist* gave it some exposure in its 3 March issue.

As anticipated in a feature on the Bill in **BSUG News 35**, its Report Stage and Third Reading in the Commons on 13 March resulted in scant changes to its wording. The most significant was the insertion of an amendment that refers to "the production and publication of official statistics that serve the public good." The public good is defined in the context of "informing the public about social and economic matters", and of "the development and evaluation of public policy."

The Bill then went to the House of Lords, where it received its First Reading on 14 March and its Second Reading on 26 March. This took the form of a general debate during which a number of points already made in the Commons were revisited. However, no formal amendments were tabled and the government Minister's winding-up echoed some of what had earlier been said by the Financial Secretary in the Commons. So it moved to its Committee Stage – 24 April and 2 May – dealing with 241 amendments; the Hansard report on this reflects some robust adversarial arguments on a considerable number of proposed amendments. Most were withdrawn, a few were accepted without division, and a couple were carried against the government. Some are likely to be raised again at Report stage.

A couple of snippets: it is intended to create a 'hub' under the supervision of the Statistics Board to act as a channel for statistical releases to separate them from policy commentary. The proposal to reduce the pre-release time for market-sensitive data to 40.5 hours was explained – it represents a clear day's grace between the closure of the markets on one day and the their opening on the next day but one. The debates are available on the Hansard pages of the Parliament website.

An ad for the chair of the Statistics Board has appeared (3 days a week for c£150,000), who inter alia will need to "manage key relationships with ...key stakeholders, including statistical (sic) users". Oh, yes? Subtle difference between 'statistical' and 'statistics'; good intentions, but see what happens when laymen are let loose.

STATISTICS 'FOG IN CHANNEL'

Issues of **BSUG News** up to No.19, October 2002, used to include a list of contact telephone numbers for those seeking statistical information from a number of government departments and a small selection of business-related organisations. When this was discontinued, due to shortage of space, the list was transferred to our website where it has languished ever since. In common with many website 'webmasters' one forgets to maintain and 'refresh' it. However it has recently been reviewed and updated. This exercise has revealed how few government department websites' 'menus' show 'statistics' or yield anything in response to entering 'statistics' in a 'search' box, let alone how to contact statistical helplines. Is this deliberate or an oversight? One has therefore been forced to show mostly departments' main switchboards, which hopefully would direct an enquirer correctly, assuming that one knows what one wants. If not, a quest may take a little longer.

What is perhaps most surprising is that the ONS website link list does not have such a listing. Its links to the Scottish Executive and the National Assembly for Wales do lead effectively to their statistical departments. So why not the English Departments? So much for National Statistics.

The Statistics Commission initiated a survey of accessibility of official data in 2006, which included a 'mystery shopper' element and was conducted last autumn; publication of its report on this is expected in May. Among its expected conclusions is the perhaps surprising (or not) advice that starting a search for specific figures via a Google keyword may be quicker and more effective than entering a departmental website and trying to navigate from its menu. This promises to be a clarion-call for potential improvements in website design of vital interest and ultimately of considerable benefit to users.



NEWS FROM ONS

SIX PACK + ONE FREE

The ONS always features prominently in **BSUG News**. Here are six disparate items concerning its future.

1. **Work Programme.** The ONS is currently floating for consultation outline plans for its Work Programme 2007-08. This is inevitably based on its budgetary constraints affecting expenditure on surveys, infrastructure and staff levels.

Its approach has been to protect priority outputs, to develop outputs which meet new demands, to deliver its corporate targets, and continue its modernisation programme. This approach requires making savings wherever improved efficiency can be attained in parallel with prioritising outputs. It is driven by the following principles.

- the needs of users and customers are fundamental in helping us prioritise outputs;
- work of a similar nature carried out in different parts of the business is integrated where possible;
- data collection processes are rationalised and standardised as far as possible;
- the cost effectiveness of survey collections is assessed to ensure an appropriate level of resource is dedicated to each.

This will result in expansion in some areas and contraction in others. Examples of the former include: issues concerned with children and young people, the ageing population, measuring society's well-being, the output and productivity of the public sector, service sector and regional statistics. There will be continuation of modernisation of systems and processes – current projects cover National Accounts, Labour Force Survey, an integrated household survey, technology replacements, CPI and RPI system migration, and development of a new, more robust and user-friendly National Statistics website.

Among areas proposed for contraction are reductions in sample sizes for the surveys of Hours & Earnings, Employment and Earnings, the monthly distribution and

service inquiry, the monthly index of services, the producer price index, the expenditure and food survey. Other proposed changes include changing the regional labour market first releases from monthly to quarterly, reducing the time spent on validating the annual business inquiry, suspending the purchases inquiry for one year whilst redesigning it to achieve improvements, and dropping the voluntary monthly motor vehicle production inquiry to be replaced by integrating key turnover information into the monthly production inquiry reported as the Index of Production.

2. **Treasury Select Committee.** The House of Commons Treasury Select Committee has initiated an inquiry into the efficiency programme of the Chancellor's departments, which of course includes the Office for National Statistics and its impact on Census 2011. Its aims are to:

- **measure progress on, and the overall effects of, reductions in full-time equivalent posts and reallocations to the front line and relocation from London and the South-East**
- **examine the impact on customer service of both the efficiency measures taken to date and those measures yet to be implemented**
- **assess the clarity and appropriateness of the specific targets which the Chancellor of the Exchequer has set for his departments under the efficiency programme**
- **consider the likely effects of the efficiency programme beyond 2008, including whether the programme can be expected to create a "culture of efficiency" within the Chancellor of the Exchequer's departments.**

Written submissions were sought by 18 April, and there was an oral hearing on ONS on 9 May. Criticisms from some of the usual interested parties have surfaced but additionally the Bank of England, in measured tones, has expressed serious concerns about possible effects on some of the macroeconomic data which the MPC uses in its decision-making. Brilliant timing? Watch this space.

3. **Index of Services.** Launched in December 2000 as an experimental statistic, (reported in **BSUG News 16**), following reviews of 30 sectors and a

considerable amount of development work on measurement, sources and methodology, the monthly Index of Services was classified in March as a National Statistic. There is a full description of the process in **Economic and Labour Market Review (ELMR)**, March 2007.

4. **Retail Sales Index.** An article in the April issue of **ELMR** compares the ONS Retail Sales Index with the British Retail Consortium's retail sales monitor (discussed in a contribution from Pamela Webber in **BSUG News 14**) and offers explanations on the reasons for the two not producing identical results; these stem from differences in coverage and methodology.

5. **ONS Library.** One damned library after another – there is another turn of the screw for visitors to government libraries. Having lost the DTI Trade & Information Centre at Kingsgate House at the end of 2005 (reported in **BSUG News 31**), visitors (perhaps not very many) who have been accustomed to dropping into the ONS Library at Drummond Gate now have to notify their intent in advance or be refused entry. And even this facility will only be available in the short-term, (which may finish as soon as the end of 2007) as long as Drummond Gate remains a major site. Subsequently those wishing to use an ONS library will have to trek to Newport, which has hitherto had a library as well.

6. **Foot(sore)note. City Business Library.** Just to rub it in further, the future of this library is being reviewed - usual explanation – drop in attendances, greater use of the internet. Hands up all those readers who think that hard copy is sometimes more productive and faster when seeking a lot of data or expensive publications. And then there's the last London bolt-hole, the British Library, which has been rumoured might start charging users.

7. **(Shot in the Foot)note.** A recently-introduced new IT system for Registrars of Births, Deaths and Marriages offices has suffered 'meltdown' at some offices, which have had to revert to previous arrangements until it's sorted. One might surmise that ONS management will be mightily glad when responsibility for the Registration Services moves out as a result of the forthcoming statistics legislation.

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FUTURE FSUG EVENTS

FINANCIAL STATISTICS USER GROUP ROUNDTABLE DISCUSSIONS

23 May 2007, 12.00 – 1.30 pm Lloyds TSB, 10 Gresham Street, London EC2.

THE USE AND MISUSE OF PRODUCTIVITY DATA IN THE UK

GRAHAM LEACH, Chief Economist, Institute of Directors

For attendance, notify sarah.pedder@lloydtsb.co.uk by 4 May

11 July 2007, 12.00 – 1.30 pm RSS, 12 Errol Street, London EC1

MEASURING THE UK ECONOMY

GEOFF TILY, National Accounts Co-ordination, ONS

PERRY FRANCIS, Balance of Payments Co-ordination, ONS

For attendance, notify Stuart.Brown@statistics.gsi.gov.uk by 22 June

