

LOOK BACK IN SADNESS

By IAN MACLEAN, Chairman, Statistics Users' Council



IAN MACLEAN

"The mass of men live lives of quiet desperation". As users of statistics reading the annual report of the **Statistics Commission** that quote from David Henry Thoreau strikes home. He was writing over 150 years ago at the same time as the RSS was being formed and statistics were being hailed as one of the essential elements in the fight against disease, poverty and social deprivation. The Royal Charter for the RSS states their aims as being "to collect, arrange, digest and publish facts, illustrating the condition and prospects of society in its material, social and moral relations". That charter rings as true today as it did then. It may have taken 176 years for these ideas to be enshrined in legislation, but at least with the Ministerial Directive setting up National Statistics we seemed to be on the brink of the New Jerusalem. Especially encouraging was the establishment of the **Statistics Commission**, set up to ensure that the requirements of users outside government were enshrined in the transition from official to national

statistics. The euphoria was short-lived. Early contact with the Commission was not encouraging and now that we look back on its first year those early forebodings have been justified. It has been a non-event. Nothing substantive has happened. Even more disturbing is that the Commission's Annual Report displays a complete lack of structure. None of the essential elements of a plan are present. No clear statement of aims, no intelligence gathering, no analysis, and no plan of action. What we have are some general background statements, references to informal links with users and several pages devoted to the quality audit programme based on randomly selected topics.

"The lack of tangible outputs could be excused by the need to set up the organisation. [If as in the case of the Commission they were starting from a 'green-field site'. The lack of a prior agenda is surprising, but no matter.] But there is no excuse for not taking the necessary steps to set up the machinery for User consultation. After one year we need more than just references to "informal links first" and to being open-minded about "formal arrangements in the long term". Modest endeavours such as the Commission's project on seasonal adjustment can have a scoping study commissioned. There has, however, not even been an initial discussion on the structures that need to be put into place to identify and evaluate Users' views; instead

we have had evasion. In the Commission's own words, the White Paper *'Building Trust in Statistics'* envisaged that the government would ask the Commission to "recommend to Ministers ... its own machinery for covering the interests of users and producers of **National Statistics** ..." then goes on to note

EDITORIAL

Statistics Commission – User Friendly?

The birth of the Statistics Commission was widely welcomed as potentially giving new clout to the constituency of those feeding into and from the output of **National Statistics**. It is therefore a tad disappointing to observe the reality of the fledgling less-than-one year old infant. In this issue its first 'annual' report is reviewed; the open meeting that launched it, attended by six of its eight Commission members and a goodly number of critical User Group representatives is summarised; and a forthright view, based on direct personal intercession with it, are featured.

An unexpected groundswell of criticism has surfaced, which may well be due only to 'teething' problems. The Commission has an 'open door' and 'listening' policy but is not a market research organisation or a users' 'mother figure' according to its chairman. Ultimately, it will be judged on its effectiveness.

"our general approach in this area is less structured and more informal than might be implied by the term 'machinery'".

It was reasonable to presume that the advent of **National Statistics** last year would help solve the administrative problems that were inhibiting the organised User community from playing its part as an involved partner. All the portents were there in full measure. The White Paper and Framework Document had the express commitment that **National Statistics** should *'provide business with a statistical service which promotes the efficient functioning of commerce and industry'*, and *'the public with a window on the work of Government, enabling them to measure the performance of Government'*. There was nothing new in this development, Britain was in fact virtually the last country in the developed world to adopt an Official Statistics Act (the directive is an Act in all but name). In other countries the term 'Council' predominates, but although we have a Commission it was reasonable to expect that it would fully represent Users as in all other countries with Councils.

The advertisement for the post of Chairman and Commissioners takes up the theme, opening its list of roles for the Commission with the requirement to:

- "consider and comment to Ministers on the forward work programme for **National Statistics**, drawing on the views of users and suppliers "

The job specification for both the Chairman and the Commissioners states the position unequivocally:

- "Ensuring the Commission is able to assess the needs and priorities of users, so that it can discharge its function with respect to advising Ministers on the annual work programme for **National Statistics**" .

The practice, as you know, has been very different. The Commission does not interpret its role as being a representative body for Users. As Sir John Kingman stated in his Paper at the SUC's last Annual Conference "we are here to see and look - come

to us with your problems and we will consider them". Reactive rather than proactive. But at least we're in good company. The devolved administrations were given the same treatment:

"We felt it right to let the administrations themselves make the running!"

Even the Minster does not escape. Returning to the White Paper instruction to recommend its own machinery for covering the interests of users. The Commission debated whether or not they should submit such a report until they received a formal request! But the Minister must have more clout than we do so although the Commission did not receive a formal request "we have taken up the spirit of this" and prepared a report for the Economic Secretary".

In a meeting with the Commission, when the question of resources for the Groups was raised, we too were told to "make the running". The Commission would consider a proposal from the SUC "if it wished to submit one". In other words the body charged with setting up machinery for consulting users does not regard it as its task to even initiate that process. Unlike the quality audits described in the report, where the audit on seasonal adjustment has moved to a full scoping study by a professor from Warwick University. So we know where 'user consultation machinery' rates in the priority order.

The annual National Statistics plan requires extensive user involvement if the consultation is to be effective, both as an input to the plan at the draft stage and comment of the extent to which the final plan meets user needs. The SUC with its combination of organisations and User Groups is well placed to fit into this system, but administrative support is needed to ensure that the consultation is effective. The Commission however has kept the SUC at arm's length as "it does not represent all users and their remit is to cover all users". The fact that the SUC has evolved over 30 years to meet the highly varied requirements of the user community has been ignored. What else can we do? The 12 organisations and 14 user groups cover virtually the entire articulate user community and

extend indirectly into virtually every part of the economy and society:

RSS – 6, 000 individuals

ESRC – the prime source of academic research grants and through the Data Archive, the statistics store house

CLIP – all local authorities

Library Association – all libraries

CBI – over 200, 000 firms

TUC – over 5 million members and so on.....

while user groups concentrate 2,000 active members, with an in-depth knowledge of statistics in their area.

Some minor areas such as agriculture are missing and the SUC does not directly cover the public. The SUC, however, is a structure that can be easily be built-on to cover the missing sectors. The identification of the public as a distinctive stakeholder group is only valid up to a point. The public need to know, but for the main part the information is fed to them through the media, who in turn derive their stories from reports, papers, press releases and other expert sources, which are well-represented in the organisations and groups that make up the SUC. What is important is to set up a system to identify 'Issues for Public Debate ' and then evaluate them. Issues such as: the suggestion that the Immigration figures were misleading; the controversy over the Hospital Waiting Lists was around long before the National Audit Office took it up: the impact of Demographic Changes We can all add to the list. How to approach 'IPDs', should have been one of the early items on the Commission's agenda. But the Commission is on record as saying that they were "not currently planning such issues".

The Commission is rightly proud of its independence but formal links with users does not threaten that independence, rather it supports it by providing direct access to a wealth of experience and understanding. The fact that a well-structured user community has evolved seems to have been regarded as a problem rather than a solution, but you cannot deal with hundreds of thousands of individual users, you have to deal with intermediaries. If the SUC did not exist the Commission would have to invent it.

Statistics Commission's *FIRST ANNUAL REPORT*

By David Wroe

The Statistics Commission published its first annual report on 18 July, covering activities from its launch in June 2000 until March 2001. In this first part of its life the Commission has been concerned particularly with making contacts, deciding how it is going to approach topics, and identifying the specific issues to which to give particular attention.

The report is abundantly illustrated with colourful photographs. It sets out some of the Commission's thinking about changing demands for statistics, and constraints on meeting those demands. It goes on to describe the "constant themes running through our considerations" – integrity, quality, relevance/user responsiveness. These are "the fundamental characteristics National Statistics have to demonstrate". However, "while all agree that these three are important, there are different views of precisely what they mean". The Commission has helpfully provided a glossary setting out the definitions it has adopted.



Colette Bowe and Statistics Commission staff

While the Commission has "tackled, and will continue to tackle, different topics in different ways", it identifies "a few common principles" underpinning its approach. In brief:

- its contributions must be thoroughly researched;
- its remit is to check that the National Statistician has proper processes in place, not to undertake quality assurance or user consultation for the National Statistician;
- it looks at specific examples, but with the aim of drawing out general points.

Much of the rest of the report (before reaching the Commission's financial accounts) outlines how specific issues have been, or are to be, addressed. The "audit/research programme" includes monitoring progress on the average earnings index, a scoping study on

seasonal adjustment in the ONS, and plans to test data for monitoring the NHS Cancer Plan. (The scoping study has since concluded that there is not a case for a further substantive study – perhaps itself a reassuring finding.) The Commission has decided to undertake a review of the Census.

The Commission plans "to make best use of outside experts on a project-specific basis", rather than to build a larger technical secretariat. This seems an entirely sensible approach. Another "resourcing issue" is causing greater concern. Progress with the Commission's studies depends on staff in National Statistics having time to provide the additional information required. The Commission intends to "pursue this resourcing issue vigorously over the coming year".

The Commission has given initial consideration to the need for statistical legislation – on which it has to report after two years – concluding (with some qualifications) that "at present the balance is strongly in favour of legislation". The case for legislation and the overdue National Statistics Code of Practice are two of the "three overarching issues" the Commission regards as the most important in the year ahead. The other one is "ensuring that the National Statistics Planning System works properly".

The Commission will be commenting

further in the Autumn on the high level programme for National Statistics and the planning process. It is not clear from its Annual Report how the Commission is to play the part expected of it in helping to ensure that the programme reflects the needs of users. According to the National Statistics Framework Document, the Commission "will draw on the views of users and suppliers and is required to maintain effective consultation arrangements to this end". The Commission's Report contains four pages on "building links with stakeholders" – three of them devoted to photographs. It refers instead to a report (available on the Commission's web-site) presented to the Economic Secretary to the Treasury in December. This stressed "focus on building informal links first...., then considering the need for more formal structures in the longer term". But whether the links should be formal or informal, one might reasonably hope to hear more from the Commission about the issues involved in ensuring that the concerns of users and suppliers are properly taken into account.

The coming year will provide the opportunity for the Commission to get to grips with the "overarching issues" it has identified – including (we trust) the Code of Practice. Next year's report will prove a guide to the strength of the foundations that have been laid.

SBE

2001 MEETINGS

CIPFA, 3 Robert Street, London WC2 (6 for 6.30pm)
(unless otherwise stated)

Wednesday 10 October 2001

THE FUTURE OF BRITISH AGRICULTURE
PROFESSOR ALAN SWINBANK, *University of Reading*

Tuesday 27 November 2001

SOME ASPECTS OF THE MPC AND
THE CURRENT ECONOMIC CONJUNCTURE
DR CHARLES BEAN, *Executive Director, Bank of England*
Waterstones, 203-206 Picadilly

Wednesday 16 January 2002

To be arranged

ALL ENQUIRIES ABOUT ATTENDANCE OR MEMBERSHIP:
SOCIETY OF BUSINESS ECONOMISTS 01923 237 287

STATISTICS COMMISSION ANNUAL REPORT LAUNCH

OPEN HOUSE 18 JULY 2001

Report by Ulric Spencer

Those who attended the meeting in Great George Street – at which User Groups' representatives were well in evidence – to receive the Commission's first Annual Report were treated to a lively question and answer session. Six of the eight Commissioners and the Chief Executive lined the top table; the highest scoring batsman was the Chairman, **Sir John Kingman**.

Introducing the Report, **Sir John** said it was a new organisation, outside the government 'tent' and not subject to the Official Secrets Act. It was critical of the length of time it was taking for the new National Statistics Code of Practice to see the light of

day because departmental Ministers were foot-dragging.

Questions (and answers) included: what efforts had been made to contact official statistics 'non-users' ie those who did not trust them? (Commission was not a 'Post Office', just 'observers'); what active support were users getting? (Commission was open to suggestions);

Unsatisfactoriness of user groups being run on a shoestring by volunteers (Commission was not a market research outfit and was concerned with the views of more than just users, but its door was open); large companies' view should

be tapped (would welcome input from them); could user groups resources be augmented by using the Commission's website? (could be considered, but Commission was not a user group 'mother figure' or funder); how are decisions made on which issues to pursue? (could not pursue all issues raised); do users want to see accuracy measures published alongside the data? (impractical but would like to encourage publication along the lines of US weather reports – eg "70% chance of rain")

The hitherto silent Commissioners were invited to indicate their contribution to the Commission's work and each did so briefly.

Future FSUG Discussion Meeting

The Financial Statistics Users' Group

Monday 15 October 2001 at 2.15 pm

At Barclays Bank Plc,
54 Lombard Street, London, EC1

STATISTICS FOR FINANCIAL STABILITY

[preceded by the FSUG AGM]

- 2.00 FSUG AGM
- 2.15 Seminar welcome and introduction
- 2.30 Bank of England work on financial stability statistics
Sarah Wharmby, BoE
- 3.30 Statistics used in establishing sovereign debt ratings
Lionel Price FITCH-IBCA
- 4.00 Work on financial stability statistics at the Financial Services Authority
Jonathan Fischel, FSA
- 4.30 Questions

NATIONAL STATISTICS USER CONSULTATION CONFERENCE

31 October 2001

National Statistics invite users to attend a one-day event to be addressed by Len Cook and senior colleagues on the Strategy for National Statistics and plans for economic and social statistics, methodology and statistical infrastructure. There will also be ample opportunities for discussion of appropriate relevant topics in smaller groups. To register interest and obtain details, contact Katie Fisher at ONS 020 7233 5787, katie.fisher@ons.gov.uk.

NATIONAL ACCOUNTS USER GROUP

There is a regular meeting once a quarter where the latest **national accounts** and **balance of payments data** released that day is presented to the group. There is an opportunity for questions and also a buffet lunch.

Occasionally we have a meeting to discuss other topical issues in **national accounts**.

If you would like to be put on the mailing list or want more information, we would be pleased to help.



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SHORT-TERM INDICATORS

Report by **Ulric Spencer** of meeting of 17 May 2001

Four speakers from ONS gave presentations on recent development work undertaken on some short-term indicators, following a review published in October 2000. **Ian Cope** set the scene for his colleagues, the first of whom **Sam Brown**, spoke about the Retail Sales Index (RSI). Covering about 5% of GDP, this had been running since 1934 and became statutory in 1992. Turnover, inclusive of VAT, was collected quarterly (based on 4-4-5 week periods) from a sample of some 5,000 respondents; provisional results were based on about 60 per cent response, and final results on about 75 per cent. 400 of the retailers were permanently in the sample. Information on the commodity mix was obtained from the top 43 retailers. Values were deflated to a constant price base and seasonally adjusted at the 4-digit SIC level; regular revisions were made for the most recent three months. First Release was followed one month later by the RSI publication, SDM 28.

Further developments included reclassification of companies from January 1998, a series excluding VAT to be compiled for Eurostat, evaluation of estimation methods, publication of the Index rebased to 2000 planned for 2003, and extension of coverage from GB to UK. There was a possibility of regional data but there were no definite plans for this at present.

The statutory monthly Index of Production, covering 27 per cent of GDP, – Sections C, D and E of the SIC, described by **Mark Williams**, was a constant price index of output. In measuring a universe of 160,000 firms, 75 per cent of the data are provided by a sample of 8,400 supplying turnover and another 600 employment only. The remainder come from DTI (Energy) 17 per cent, MAFF 3 per cent, the SMMT 3 per cent and ISSB 2 per cent. Turnover includes sales of own and merchant goods plus percentage exported. For the engineering industries (at the 4-digit SIC level) information on orders is also collected. Figures of sales are deflated, using home producer price

indices and export price indices, with weights changing every month, and seasonally adjusted. Inventory adjustments are made for work in progress and finished goods. The results, aggregated to 4-digit SIC level using gross value added weights from the Annual Business Inquiry, are published in a First Release with 4-digit SIC figures available in Statbase. Bespoke analysis is possible.

Developments included: publication of 1995-weighted figures in the **Blue Book 2000**; chainlinking at the 4-digit SIC level with annual change of weights; widening collection of data on orders from more industries in the next two years; also publication of sampling errors; development of the computer system by the end of 2002. Of 49 recommendations in the review of short-term indicators, 13 relate to the Index of Production. In answer to a question about the possibility of regional indices, the samples in Scotland, Wales and Northern Ireland would have to be topped-up to make this possible.

On the Index of Services, **Rob Pike** covered some of the same ground as the talk he gave on 18 April at the Royal Statistical Society (reported in **BSUG NEWS 16**, page 7). Since May 2001 the Index of Distribution is no longer experimental. Developments were designed to: improve timeliness; provide information on sources and methods; improve price indices; quality assure current data and methods; investigate alternative indicators and prices; evaluate methodology compared to that shown in the EU guidance documentation.

Work in 2001, includes: on the Motor Trades, work relating to deflators and price measurement and involves wide-spread consultation; on the Wholesale Trades, information on margins, price indicators and consultation with DTI. Thereafter development work would be extended to total coverage; on hotels and restaurants, services turnover coverage, improving response rates, estimation and moving from quarterly to

monthly surveys, which also entailed identifying more sources. Quality improvement of the quarterly surveys was also envisaged. All this represented a 2-3 year work programme.

Ian Cope, in summing up, emphasised the need for consistency between the Index of Production, Index of Services and GDP(O). It was necessary to give attention to survey sources and methods, and to adjustment methodology. Consideration was being given to a monthly GDP(O), to the implications of taking in more data and to the 13 recommendations on the Index of Production. He referred again to chain-linking, weighting procedures and meeting the EU's requirements by 2003. He mentioned a forthcoming article in **Economic Trends** in the Autumn and that the 2003 **Blue Book** would include detailed figures back to 1994 and less detailed ones to 1970.

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MINUTES OF THE ANNUAL GENERAL MEETING OF THE BUSINESS STATISTICS USERS' GROUP



Held on Thursday 17th May

AT THE ROYAL STATISTICAL SOCIETY 12 Errol Street, London EC1

Attendance

Ian Maclean in the Chair and 20 Members.

Apologies for absence

Apologies for absence had been received from:

Ms Chrys Rampley,
Ms Jayne Wilkinson and
Messrs John Aczel, Ian Belfield,
John Cunningham, Jim Devin,
Keith Dugmore, B Hulbert,
Allen Johnson, Eric Kilby,
Philip Watson and David Wroe.

Minutes of the Previous AGM and Matters Arising

The minutes of the Annual General Meeting held on 23rd May 2000 had been published in BSUG NEWS and, there being no amendments or objections, they were duly signed by the Chairman as a true and accurate record of that meeting. There were no matters arising from these minutes.

Chairman's Report

The Chairman briefly reviewed the three meetings held so far this session – which were: an open afternoon held at the ONS which had included a presentation from the National Statistician, Len Cook and updates on various projects; a review of PRODCOM and SERVCOM; and a discussion on developing the National Plan for Statistics

The main focus of his report was the role of User Groups. He pointed out that the historical role had been to inform their members about developments in statistics and to provide a forum for the exchange of views with Official Statisticians. However, the formation of National Statistics is leading to fundamental changes in the role of User Groups as both the National Statistician and the Statistics Commission are charged with identifying and evaluating users views. The National Statistics Theme Groups have all established a working relationship with the appropriate user groups and, while we may quibble about the effectiveness of

the consultation, it is still early days and we hope that this year will see better, more effective debate about the plan between the Theme Groups and User Groups.

The disappointment had been the Statistics Commission who seem to have taken a reactive rather than proactive position on User consultation and, in particular, waiting for users to organise themselves and approach them with proposals. As a result, instead of handing over to the Commission, the Statistics Users Council has re-organised itself to include the Chairs of all the User Groups (BSUG is represented by the Secretary as our Chairman is also the Chair of the SUC). However, it was noted that if the groups are to participate effectively in the planning process, then extra administrative and other resources will be needed; ways of sourcing such resources are now under active discussion.

The Chairman noted that BSUG is extremely fortunate in being able to call upon talented and involved people to run its affairs. The frequent Committee meetings are well attended and the various activities are run efficiently. The Secretary Geoff Noon and the Treasurer John Cunningham, who also doubles as Newsletter Publisher, deserve the thanks of the Group. He also made special mention of Ulric Spencer who has taken over as Editor of BSUG NEWS and has built on the achievements of John Aczel to ensure that our already excellent Newsletter is now better than ever.

Treasurer's Report

In the absence of the Treasurer on family business, the Secretary presented the report prepared by the Treasurer.

In drawing particular attention to the fact that the Group is technically insolvent, he pointed out that there appeared to be a miscalculation in the balance sheet as presented [*Secretary's note: this has subsequently been confirmed*]. The figure for

net current liabilities at 15th May 2001 should read – £119.29.

This position had been caused by a deficit of income over expenditure during the year. In turn, the cause of this was a deficit on funding of BSUG NEWS; this flagship of the Group is circulated to ONS, DTI, other Government Departments and to other User Groups, none of whom had made any financial contribution towards the costs of the issues which they received. The generous sponsorship of The Stationery Office was noted with many thanks – without this it simply would not be possible to produce BSUG NEWS – and it was also acknowledged that ONS had purchased the copies which they received last year.

It was hoped to be able to establish a mechanism for the purchase of copies of BSUG NEWS taken by at least some of the other organisations and that this would resolve our financial situation. However, the Group had received an offer, should no other source of finance be found, which would cover the deficit on the balance sheet for this financial year. The Committee therefore sees no reason why the Group should not continue to operate and trade.

In the light of this, the Treasurer proposed that the subscription for the coming year should remain at £45, because the coming year is likely to be one in which the role and nature of BSUG will change with the coming of the Statistics Commission and at this stage, it is impossible to forecast what our financial needs will be, particularly in the context of BSUG NEWS which is our largest expenditure. So it is best to leave the matter unchanged until we have a clearer idea of our requirements. But it must be recognised that at the present level of subscription and membership, BSUG NEWS cannot continue as a three-times-a-year publication without contributions from other organisations. There was also the feeling that to increase the

subscription level could be counter productive and lead to a further fall in Membership.

The Treasurer's Report, including the recommendation for the subscription level, was proposed for adoption by [Marek Wojtan](#), seconded by [David Fleming](#) and carried without objection.

Election of Officers and Committee

The Chairman announced that the Committee were nominating the following as Officers of the Group for the coming year:

Chairman [Ian Maclean](#), Business & Trade Statistics Ltd

Treasurer [John Cunningham](#), JCA

Secretary [Geoff Noon](#), Machine Tool Technologies Association

There being no other nominations, they were declared duly elected.

The Chairman indicated that the Committee would consist of the Officers, Observers from The Department of the Environment, Transport and the Regions, The Department of Trade and Industry, The Office for National Statistics and HM Customs & Excise, plus representatives of the Group elected by the AGM.

In addition to the existing elected

Members of the Committee who had agreed to stand again, the Secretary announced that he had received nominations for [Keith Dugmore](#) (Demographic Decisions) and [Gerald Morris](#) (BEAMA); he had also been advised that [Jayne Wilkinson](#) would replace [Phillip Brooks](#) as the nominee from The Stationery Office. [Nick Sturgeon](#) (Chemical Industries Association) had resigned during the year.

There being no other nominations, the following were elected to the Committee:

[John Aczel](#), Economic Services

[Harvey Collyer](#), ISSB

[Keith Dugmore](#), Demographic Decisions

[David Fleming](#), Applied Business Statistics

[Eric Kilby](#), Paper Federation of GB

[Gerald Morris](#), BEAMA

[Ulric Spencer](#)

[Philip Watson](#), IRSG

[Jayne Wilkinson](#), The Stationery Office

[Secretary's Note: following the reorganisation of Government Departments following the General Election, the DETR is now the Department for Transport, Local Government and the Regions – DTLR. Responsibility for Construction

Statistics, formerly in DETR have moved to the DTI, while Retail Statistics remain in DTLR.]

Programme for the Coming Year

The Chairman noted that the programme for the coming year would be built around the requirements for consultation on the National Statistics Plan; indeed it was likely that this process would dominate the Group's programme for the foreseeable future as it was going to be a core function of the User Groups to take part in this process.

The implications for this would be discussed by the Committee and the programme for the year would be announced to Members as soon as possible.

Any Other Business

[Marek Wojtan](#) asked if it was possible to receive BSUG NEWS as a PDF file; he would like to circulate it to his Members and felt that this would be the best way to do this. This would be considered by the Committee.

There being no other business, the Chairman closed the Annual General Meeting. ⊕

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News from INTRASTAT

QUALITY REPORT ON TRADE STATISTICS IN EUROPE/TRADE STATISTICS IN THE NATIONAL STATISTICS WORK PROGRAMME

Report by Ulric Spencer of meeting 6th June 2001

Niall Cooney, HMCE, Information Management Division (IMD), who is responsible for quality of data, emphasised how reliant for data accuracy HMCE was on involuntary suppliers. Traders need to be educated and though there was a penalty regime, it was reluctantly applied. Estimates had to be made for non-response and below-threshold-trade allocated.

Distinction was made between quality control, which included validity and credibility controls, and quality assurance of the data.

In addition HMCE had conducted several surveys – an error analysis exercise related to 3rd country trade, a local VAT Office survey, and an ancillary costs survey, covering cif calculations for comparability.

The purposes of a Eurostat Working Party on Data Quality included quality improvement, informing member states and providing help to accessionary states. Its work embraced harmonisation of methods for example, on control and correction procedures, adjustment methods and quality reporting. Quality reports were produced to inform users, who could inspect them on the HMCE website. Under Edicom II, funds were available for quality improvement.

Issues raised from the floor covered accuracy, user coverage and the importance of educating data providers. Asked about the size of IMD, Mr Cooney said he was one of 177 people.

Glenn Everett, DTI introduced an outline of the National Statistics Work Programme, which had been launched in June 2000 and which described the major new developments it planned for the next three years. The Statistics Commission's role, the structures of National Statistics Committees and the Work Programme, with five main sections – initial strategy for National Statistics, brief outline of developments, twelve 'theme-specific' chapters, two cross-cutting chapters (Neighbourhood statistics, sustainable development indicators and annexes (quality assurance strategy, list of outputs, glossary and index).

The National Statistics strategy on trade statistics was influenced by globalisation. This increased demands to measure trade and capital flows in a timely, accurate and comprehensive manner. National Statistics needed to be aware of new measures of economic integration and to adapt existing measures for use in an international context.

The themes in which trade statistics played a part were Commerce, Energy and Industry, and Economy. Within the first, relevant plans included an HMCE plan to build a trade information service by 2004 built on existing data, adding value by linking it to other information, and aiming to have a single access point for business decisions regarding goods trading. An Inter-Agency Task Force on international trade statistics had submitted a draft manual to UN for approval. Improvements were also planned for the International Trade in Services inquiry (ITIS).

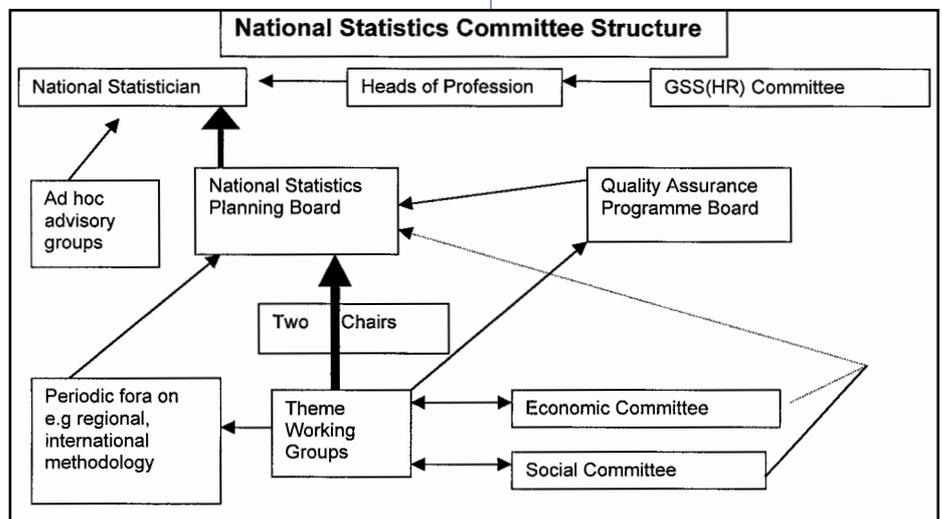
Key development priorities were to: provide better information on the services sector; develop information on e-commerce; improve structural information on the business sector; improve the range of energy statistics and new dissemination methods; and implement the results of the recent quality review of the Inter-Departmental Business Register on which major data collections for this theme rely. Low-volume, priced hard copy publications would be replaced by supported access to the same data free on the National Statistics website

Under the Economy theme, an interactive data input and editing system was intended to improve data quality, and to include facilities to provide traders with comparisons of their trade with totals. To improve coverage and quality of ITIS, four questions were to be added to the Annual Business Inquiry and research initiated to examine new data sources. HMCE would also examine the feasibility of producing sub-regional estimates of overseas trade.

The next 3 year Planning Cycle runs from August 2001 to March 2002 with user consultation due from September to November. The teething problems in the 2000/1 cycle revealed the wide range of business statistics users and the drawbacks of the consultation methods used. To ensure that the plan appropriately reflects user needs, various consultation channels were under consideration, including the internet, seminars & presentations, focus groups, surveys and 'advertising'/articles in specialist newsletters.

There remained the question of ensuring that all users' needs were reflected in the final plan though this was influenced by how to 'weight' user comments, balance requirements and a need to consider the resources available and compliance costs.

A suggestion was made by a participant that there should be some published criteria for acceptance/ rejection of a 'unit' in the plan.



PRODCOM on the web (and it's free)

From June 2001, all Product Sales and Trade reports, which include results from PRODCOM, have been available free of charge on the National Statistics website. All reports for the 1999 annual and 2000 Quarter 4 surveys are on the website. Reports for the 2000 annual and 2001 quarterly inquiries are appearing on the website as the data become available.

Due to the additional flexibility gained by electronic publication, each industry is now available separately, rather than together with other industries as has sometimes been the case previously. This is leading to improved timeliness as an industry's results are published when they are completed and they do not have to wait for other industries to be finalised. To mark this transition, the code numbers for the reports have changed. Instead of annual reports having the numbers PRA1 to PRA93, the number of a report is PRA followed by the five digit industry code from the Standard Industrial Classification (SIC) (e.g. Machine Tools was in PRA53 but is now PRA29400). The latest reports can be accessed online from:

www.statistics.gov.uk/onlineproducts/PRODCOM2001Q1.asp (2001 Quarter 1 reports)

www.statistics.gov.uk/onlineproducts/PRODCOM2000_annual.asp (2000 annual reports)

Improving quality

During the latter half of 2001, ONS will be carrying out an exercise to improve the accuracy of coding in the UK PRODCOM survey. The exercise is focusing on selected industries (e.g. computers and electronics) and consists of two stages:

Trade Associations have been sent lists of the PRODCOM questions relevant to their industries. They have been asked to comment on whether the text of the questions make it clear to anyone working in the industry what information should be recorded there. Comments received will be used to amend product descriptions for future years.

Companies classified to an industry are being contacted to check that the information that they provide is classified to the correct products. If necessary, data will be re-coded and backdated as appropriate.

The effects of this exercise will be seen in the results for the 2001 annual and 2002 quarterly inquiries. If this proves successful, then it will be repeated for other industries in coming years.

Data collection changes

Following on from the recommendations made from the PRODCOM Review in 2000, ONS will be making two changes to the data collected as part of the PRODCOM survey:

Removing employment question: The employment data collected as part of the PRODCOM survey is no longer used in the estimation process. The data will cease to be collected on the PRODCOM forms from 31 December 2001 (i.e. from the 2001 Quarter 4 and 2001 annual surveys).

Removing selected volume codes: Results from the survey of contributors showed that they found volume data the most difficult to provide. This finding was backed up by an analysis of PRODCOM results that showed that a high proportion of volumes in certain industries were imputed when a company had not returned information, even though they had returned a value figure. To concentrate resources where volume data can be provided, or where there is a known user interest, volume data will no longer be collected for products in selected industries. Estimated data will be available on request, but will no longer be published. A full list of industries affected can be found at www.statistics.gov.uk/downloads/theme_commerce/PRODCOM_revisions_volume_data_collection.pdf.

SERVCOM

The Office for National Statistics (ONS) has conducted a successful pilot inquiry into the computer services sector, collecting sales by type of service 'product'. The size of the computer services market in 2000 was estimated at £32bn, with IT consultancy, computer

facilities management and systems integration as the largest three activities.

The pilot was viewed as a study into the feasibility of a SERVCOM inquiry (albeit possibly limited to key sectors) – similar to the existing PRODCOM Inquiry, which

measures sales of manufactured products. The full results of the survey have recently been published on the National Statistics web site.

For further details see <http://www.statistics.gov.uk/pdfdir/csm0701.pdf>

Size Analysis of United Kingdom Businesses 2001¹

On 11 June 2001 Business Monitor **PA1003 – Size Analysis of United Kingdom Businesses 2001** was released on the National Statistics website. The publication is based on data from the Inter-Departmental Business Register (IDBR).

The IDBR provides the basis of the data collection from businesses by the ONS. It combines information on VAT traders and PAYE employers in a statistical register containing 2 million enterprises (businesses), representing nearly 99% of economic activity. The register includes companies, partnerships, sole proprietors, public authorities, central government departments, local authorities and non-profit making bodies. The main administrative sources are HM Customs & Excise, for VAT information (passed

to the National Statistics under the Value Added Tax Act 1994) and Inland Revenue for PAYE information (transferred under the Finance Act 1969). Other information is added to the register as required for National Statistics under statistical purposes.

The publication includes information on VAT-based enterprises from the register. It analyses the number of VAT-based businesses and local units (manufacturing only) in the UK by size, classification and geography. It is used widely throughout business, government and research organisations, and provides valuable information on the structure of businesses and can be used to determine market potential.

As pre-2001 data were originally only

available in paper form or diskette, the 1998-2000 publications have now also been added to the website.

Data from the IDBR also play a key role within the Business Statistics Data Analysis Service, whereby additional bespoke analyses can be provided – for example different sizebands for employment or turnover. Details for bespoke analyses are available from the National Statistics Business Register Unit on 01633 813269.

For further information on the IDBR see the National Statistics website at <http://www.statistics.gov.uk> and search on 'IDBR'.

¹ (released in June on the NS website – www.statistics.gov.uk)

by Michael Clary

Right now, world events make our work seem quite insignificant but we have to carry on. I have just returned from the Information Society session of the Voorburg Group on service statistics, held in Sweden. Our American and Australian friends and colleagues couldn't make it, but we still had some useful discussions.

I noted a number of papers suggesting some principles, which should influence the design of the next major revision of the International Standard Industrial Classification, from which NACE and the UK SIC are derived. This may not be due till 2007 (and the small-scale revisions agreed recently are not coming in until 2003, but it is clearly not too soon to consider the

direction in which we are going.

The extent of international progress on statistics on Information and Communication Technologies and electronic commerce was also quite striking. In the UK, ONS published its first estimates of e-commerce in May this year. They also have measures of internet access and use for businesses, households and individuals. Convergence in questionnaires is being pursued at international level by OECD and Eurostat. There is also DTI's own International Benchmarking Study, the 2001 instalment of which is due out in October. The next big issue in this field is probably electronic business processes, and investigation of links with

productivity growth. This is a statistical area in which the USA leads at the moment.

On the 27th September DTI published the latest (September 2001) edition of the Regional Competitiveness Indicators (RCIs).

The RCIs contain a basket of 14 separable indicators which describe the ability of the UK regions and countries to generate activity and income, maintain employment and reduce unemployment in the face of both domestic and international competition.

For the first time there will be no charge for hard copies of this publication and it is also available from the DTI website.



News from HM Customs & Excise Information Management Division



The June edition of HMCE IMD's quarterly statistical journal UK Trade Trends features two informative and thought-provoking articles. The first – [How big is our universe?](#) attempts to estimate the number of UK exporters by region, divided into those exporting to EU and non-EU destinations. This analysis enables an average annual export figure per company to be calculated but the authors point out that as EU export minimum thresholds apply, the number of exporters is an under-estimate. It is concluded that the availability of better information on the characteristics of exporters is important.

The second article analyses the distribution of currencies used in the UK's export and import invoices in 1999; some 6 per cent of exports and 5 per cent of imports were invoiced in euros. These compare with sterling (52 per cent for exports, 40 per cent for imports) and dollars (27 per cent for imports and 30 per cent for exports). It anticipates that over time, the euro will increase its share.

The journal has two further articles which analyse UK trade with the Philippines and South Africa and the regular time series tables of top 50

countries, top 30 products, regional trade and trade by industry.

Copies of this journal or are obtainable from [Gill Dessoy](#) or [Susan Reid](#) at [Customer Services, Information Management Division, HM Customs and Excise, 5th Floor North Central, Alexander House, 21 Victoria Avenue, Southend-on-Sea Essex, SS99 1AA; Telephone: 01702-366087; Fax: 01702-366596; e-mail: \[gill.desso@hmce.gsi.gov.uk\]\(mailto:gill.desso@hmce.gsi.gov.uk\) or \[susan.reid@hmce.gsi.gov.uk\]\(mailto:susan.reid@hmce.gsi.gov.uk\)](#)

News from EUROSTAT

CEIES - ITS FIRST TEN YEARS

The European Advisory Committee on Statistical Information in the Economic and Social Spheres (CEIES), which brings together statisticians and users of statistics, set up in 1991, held a 10th anniversary conference in April. The papers¹ presented there are summarised in the latest issue, 02/01 of Sigma, Eurostat's free bulletin².

Culled from it are some nuggets of interest to business users: Austria has an obligation to publish data fully and free of charge on the Internet; the UK is the only country planning to incorporate Internet prices directly into its consumer price data; Germany's Statistical Advisory

Committee is a legally-established body representing users, providers and producers of statistics; Liechtenstein has had a law on Official Statistics since 1975; some 38 per cent of those working there commute from neighbouring countries; Malta's Statistics Authority Act, 2000 came into force in March 2001; it provides that information has to be disseminated to all users – government, institutions, social and economic operators, academics and the general public. Catching, isn't it?

"The need for improved co-operation on industrial statistics between statistical offices and federations and enterprises

was stressed. Companies are required to make considerable efforts to supply data, and expect to receive corresponding feedback. However, their experience to date has tended to be somewhat disappointing". And there are as yet only 15 member states.

¹ unabridged versions available at: <http://forum.europa.eu.int/Public/irc/dsis/ceies/library>

² obtainable from [Eurostat Press & Communication Team, Bech A4/20, L-2920 Luxembourg. Fax: +352 4301 35349, e-mail: \[eurostat-pressoffice@cec.eu.int\]\(mailto:eurostat-pressoffice@cec.eu.int\)](#)

E-COMMERCE SALES

As foreshadowed by Magdalen Williams (in **BSUG NEWS 15**), an ONS News release of 15 May 2001¹ gave the results of the first e-commerce survey of business. It revealed that sales made over the Internet were estimated at nearly £57 million in 2000 and represented 2 per cent of total sales by the sectors surveyed. The financial sector accounted for over three quarters of these e-sales.

¹ Viewable on the ONS website: www.statistics.gov.uk

News from DTI



Construction Statistics move to DTI

Following the General Election on 7 June, the Construction Directorate of the Department of the Environment, Transport and the Regions (DETR) moved to the Department of Trade and Industry (DTI).

This means that statistics on construction output, new orders, building materials and price and cost indices are now published by the DTI, and can be accessed electronically via the DTI website at www.dti.gov.uk/construction. The statistics remain part of the Natural and Built Environment Theme of National Statistics, and continue to be

produced to the same publication time-tables.

The Directorate is still located in Eland House but plans to move into the dti building in Buckingham Palace Road by mid-January 2002. Until then addresses and phone numbers remain unchanged.

News from DTLR



The Department of Transport, Local Government and the Regions (DTLR) will publish *Commercial and Industrial Floorspace and Rateable Value Statistics 2000* at the end of October. The report will provide statistics on floorspace and rateable value of the non-domestic building stock for each local authority in England and Wales at October 2000. In

particular, details of floor area, number of hereditaments (properties) and rateable value will be given for retail premises (including by use classes), offices, factories and warehouses, and premises with accommodation.

only reliable, detailed and nationally comprehensive data on non-domestic floorspace. They were last published by the Department in 1995 and it is now hoped to publish updated statistics on an annual basis.

The data have been provided by the Valuation Office Agency and are the

The statistics will also be released on the **DTLR** website.

Future Joint Event
BSUG / INTRASTAT

THURSDAY 18th OCT. 2001
 Starting at 11am at the
ROYAL STATISTICAL SOCIETY,
 12 Errol Street, London EC1

INTRASTAT AGM
 at 10.30am

THE NATIONAL STATISTICS PLAN FOR
 BUSINESS STATISTICS

WHAT IS THE NATIONAL STATISTICS PLAN?
 Ian Maclean

COMMERCE, ENERGY AND INDUSTRY
 GLENN EVERETT, DTI,
 Chairman of the Commerce, Energy and
 Industry Theme Group

THE ECONOMY
 MIKE PEPPER, ONS and a Member of
 the Economy Theme Group

THE FUTURE?
 Ian Maclean

Would you like to **know** for any one (or more) of 5,000 products: What is **UK production (PRODCOM)** in both **value** and **volume**? And for some 10,000 products: what are the **imports?** Both in **value** and **volume**...from **where** and **when**. What are the **exports?** both in **value** and **volume**...to **where** and **when**. Do you know **which** companies are **importing?** **What** products and **when**. **Which** importers are the main **competitors** with your product(s)? Do you know **what** are the other **products** your competitors are importing....and **when?** **If you don't know, then contact the people who do:**

BTS

BUSINESS AND TRADE STATISTICS LTD.
 Lancaster House, More Lane,
 ESHER Surrey, Kt 10 8AP
 Tel:01372 463121 Fax: 01372 469847 E.mail: bts@dial.pipex.com

PUBLICATION SCHEDULE FOR SELECTED NATIONAL (AND OTHER) STATISTICS IN 2001

Data	Source	National Statistics Theme	For	Release Dates			
				Oct	Nov	Dec	Jan
Monetary and Financial Statistics	BoE		Aug/Sep/Oct/Nov/Dec	1, 29	29	-	4, 30
Insolvency Statistics	DTI	CEI	Q3	-	2	-	-
Distributive Trade Survey	CBI		Sep/Oct/Nov/Dec	3	1	4	3
Labour Market Trends	ONS	LM	Oct/Nov/Dec	4	8	6	-
Profitability of UK Companies	ONS	EC	Q2, Q3	5	-	-	10
Overseas Travel & Tourism	ONS	TTT	Aug	5	-	-	-
Index of Distribution	ONS	CEI	Aug/Sep/Oct	-	5, 30	-	3
Acquisitions & Mergers	ONS	CEI	Q3	-	6	-	-
Construction Output	DTI	NBE	Q3	-	-	7	-
M0 Data (Provisional)	BoE		Sep/Oct/Nov/Dec	8	5	3, 31	-
Index of Production	ONS	CEI	Aug/Sep/Oct/Nov	6	5	6	14
Producer Prices	ONS	EC	Sep/Oct/Nov/Dec	8	12	10	14
Housebuilding	DTLR	NBE	Aug/Sep/Oct	11	8	6	10
Construction New Orders	DTI	NBE	Aug/Sep/Oct/Nov	11	8	13	10
Capital Issues	BoE		Sep/Oct/Nov/Dec	11	13	13	14
Economic Trends	ONS	EC	Oct/Nov/Dec/Jan	11	15	10	17
UK Economic Accounts	ONS	EC	Q2, Q3	11	-	-	17
National Savings	NS		Aug/Sep/Oct	12	9	14	-
Population Trends	ONS	PM	Winter	-	-	13	-
Consumer Price Indices	ONS	EC	Sep/Oct/Nov	16	13	11	-
Labour Market Statistics				-	-	-	-
- Unemployment	ONS	LM	Sep/Oct/Nov/Dec	17	14	12	16
- Average Earnings	ONS	LM	Jun - Nov	17	14	12	16
- Productivity	ONS	LM	Aug/Sep/Oct/Nov	17	14	12	16
Retail Sales	ONS	EC	Sep/Oct/Nov/Dec	18	15	13	17
Building Society Monthly Figures	BSA		Sep/Oct/Nov/Dec	18	20	20	21
Mortgage Lending Survey	CML		Sep/Oct/Nov/Dec	18	20	20	21
M4 Data (Provisional)	BoE		Sep/Oct/Nov/Dec	18	20	20	21
Public Sector Finances	ONS/HMT	EC	Sep/Oct/Nov/Dec	18	20	20	21
Financial Statistics	ONS	EC	Oct/Nov/Dec	19	19	21	-
National Accounts	ONS	EC	Q3	-	-	20	-
UK Balance of Payments	ONS	EC	Q3	-	-	20	-
Business Investment (provisional/revised)	ONS	EC	Q3	-	21P	19R	-
Motor Vehicle Production	ONS	EC	Sep/Oct/Nov/Dec	22	19	20	21
Monthly Digest of Statistics	ONS	OG	Oct/Nov/Dec	23	23	21	-
Industrial Trends Survey	CBI		Oct/Nov/Dec	24	22	13	-
Major Banking Groups' mortgage lending	BBA		Sep/Oct/Nov/Dec	25	27	31	28
Energy Trends	DTI	CEI	Aug/Sep	25	29	-	-
Weekly Deaths - England/Wales	ONS	HC		30	27	18	-

TEL Nos. FOR STATISTICAL ENQUIRIES

BBA	= British Bankers' Association	020 7216 8800
BCC	= British Chambers of Commerce	020 7565 2021
BoE	= Bank of England	020 7601 4878
BRC	= British Retail Consortium	020 7647 1500
BSA	= Building Societies' Association	020 7437 0655
CBI	= Confederation of British Industry	020 7379 7400
CML	= Council of Mortgage Lenders	020 7437 0075
DEFRA	= Department for Environment, Food and Rural Affairs	020 7238 5466
DfES	= Department for Education and Skills	020 7925 5109
DFID	= Department for International Development	01355 843329
DH	= Department of Health	020 7210 4850
DTI	= Department of Trade & Industry	020 7215 5000
DTLR	= Department for Transport, Local Government and the Regions	020 7944 3333
DWP	= Department for Work and Pensions	0191 225 7373
FC	= Forestry Commission	0131 314 6337
GAD	= Government Actuaries Department	020 7211 2600
GRO(S)	= General Register Office for Scotland	0131 334 0380
HMCE,IMD	= HM Customs & Excise, Information Management Division	01702 367485
HMT	= HM Treasury	020 7270 4860
HO	= Home Office	020 7273 4000
IR	= Inland Revenue	020 7438 6267
ISSB	= Iron and Steel Statistics Bureau	020 7343 3900
LCD	= Lord Chancellor's Department	020 7210 1752
MoD	= Ministry of Defence	020 7218 9000
NAW	= National Assembly for Wales	01222 825044
NS	= National Savings	0645 645000
ONS	= Office for National Statistics	020 7533 5888
SE	= Scottish Executive	0131 244 0302

NATIONAL STATISTICS THEMES

AFF	= Agriculture, Forestry and Fishing
CJ	= Crime and Justice
TTT	= Transport, Travel and Tourism
NBE	= The Natural and Built Environment
ET	= Education and Training
PM	= Population and Migration
EC	= The Economy
CEI	= Commerce, Energy and Industry
LM	= Labour Market
SW	= Social and Welfare
HC	= Health and Care
OG	= Other Government
CR	= Compendia & Reference

Letters to
the Editor
(for publication)
are always
welcome

WE LOOK FORWARD
TO HEARING
YOUR COMMENTS
ON
BUG NEWS