



THE ROYAL STATISTICAL SOCIETY

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Sir Michael Scholar
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Dear Michael,

It has seemed appropriate to us for some time that the Royal Statistical Society should submit to you a list of issues it considers the UKSA might address. We have now put such a list together and this is attached. You and your colleagues are, of course, already aware of many of these topics, and indeed are already addressing some of them. It is also, of course, obvious that you cannot deal with everything straight away. Nevertheless, there is, I think, merit in sending you a comprehensive list of our current concerns. Among these we would like to emphasise the general points 1 to 7.

In your speech to our conference in Nottingham you said: "I see the relationship between the Royal Statistical Society and the UK Statistics Authority as having the potential to develop into an alliance of real strength and purpose. While our perspectives will sometimes be different, our goals in relation to official statistics are, I believe, very close."

We agree. To help this develop further I suggest that we consider some structure of regular meetings and other contact between the RSS, the UKSA and the National Statistician.

I look forward to hearing your views on this and, in the meantime, send my very best wishes to you and your colleagues for your endeavours in 2009. I am copying this letter to Karen Dunnell and to Richard Alldritt.

Yours sincerely

David Hand
President

List of statistical issues

A. General issues

1. The needs of users and other stakeholders – While progress has been made in the last few years the GSS and producers of official statistics need to become more outward looking and engage with society in general. Without this they will neither provide data that truly “serve the public good” nor will they grow public trust as much as they should. It is important that independence is seen as an opportunity to put in place a new form of organisation where the needs of all users are identified and evaluated by the GSS and where the needs of potential future developments are properly assessed. We welcome the public statements that have been made recognising this, the importance placed on user engagement in the code of practice, and the papers presented to, and discussion at, the UKSA meeting of October 23. We look forward to real and significant progress.

We wish, however, to point out that engagement needs to occur at all levels including the very top, i.e. the UKSA itself. Now that the Authority has recruited most of its staff and developed its organisation we hope to see it start on a programme of active engagement with all stakeholders, giving a clear lead to the GSS as a whole.

It is good that the minutes of, and papers for, UKSA meetings are in the public domain. However, we would like to suggest that the Authority considers giving advance notice of topics it intends to consider, thus giving stakeholders the opportunity to submit issues and arguments relevant to these topics. The Authority might also like to consider whether part of its meetings could be open to the public.

It is also important to realise, and take account of, the fact that users have other demands on their time and priorities which may seem more immediately pressing than discussions with official statisticians. In part this arises from the normal pressures of day-to-day work but it also reflects the lack of general understanding of the importance of official statistics for society as a whole. This is not something which the UKSA can solve on its own but it will have a key role to play in generating a wider understanding of the importance of official statistics – not least as Authority members are people of some standing and influence. The RSS is of course willing to play its part in this, within the limits of its resources.

2. The need for proper planning - Official statistics should serve society as a whole, should be relevant and evolve as society and the economy evolves. These are areas where the UK statistical system has failed in the past and still sometimes fails (for example the slowness in the 1980s and 1990s to develop statistics to reflect the growing importance of the service sector to the UK economy; more recently the well-aired problems with population and migration statistics). The decentralised and devolved nature of the system has also hampered coordinated planning. We welcome the fact that one of the initial reports the UKSA is undertaking is to examine long-term arrangements for longer-term planning; the RSS will be happy to assist in any appropriate way.

It is, though, important that proper planning does not stifle creativity and innovation and that mechanisms are in place (eg a rolling five-year plan with annual review) to allow adaptation as needed.

3. Communication and presentation - Communication and presentation of statistics has also been a weak point of the UK statistical system in the past. Symptoms of this have included the much-criticised ONS website, turgid and unhelpful press notices, and at times a failure to communicate adequately with users. We appreciate that a number of efforts are underway to improve matters - notably work to improve the ONS website - and that the draft code of practice covers this element in some detail. We do, however, suggest that this aspect of statistics is kept under close review by the UKSA and that in the not too distant future it carries out a review of the extent to which actual practice is living up to expectations. In particular it will be absolutely essential that the improvements in the website currently underway do not stop once present plans have been implemented but that adequate resources are available, both for ongoing “day to day” improvements and for the further major developments that will inevitably be needed.

4. Separation of statistical information from policy comment - We consider that the mixing of policy and ministerial comment with statistical information and releases has been a major factor contributing to the low level of public confidence in UK statistics. We therefore welcome the initiation of the publications hub and look forward to seeing its full development. It is clear though from the recent incident regarding teenage admissions to hospital as a result of knife crime and the earlier incident at the presentation for media on immigration statistics at the Home Office in August 2008 that an educational effort is needed throughout government, and particularly with press offices, to ensure that this separation happens. We urge the UKSA to initiate this or to take other steps to ensure that the civil service as a whole undertakes this.

Selective use of statistics mixed with policy comment, in a way which does not add to public debate but confuses and constrains it, does not just occur when data are released (as one example, see the “fact-sheet” issued by the Home Office on the Tackling Knives Action Programme (http://press.homeoffice.gov.uk/documents/Tackling_Knives_Action_Prog1.pdf?view=Binary)). We believe that there needs to be a concerted effort throughout government to use data in a form that enlightens rather than spins. As you are aware we have already written to Sir Gus O’Donnell on these lines and hope that the UKSA, within the limits of its mandate, will also press for this.

Pre-release access has also, we believe, been part of the problem. The Royal Statistical Society considers that the UK should seek to emulate best practice in other comparable countries where pre-release access to ministers and policy officials either does not exist or is limited to a few hours at most. We do not see the need for any pre-release access in the majority of cases and only the need for, at most, a short period such as two hours for a limited number of market-sensitive statistics. We are pleased to see that the UKSA has similar views. The proposed reduction of pre-release to 24 hours for UK statistics is a welcome improvement but does not, in our view, go far enough. The intention is that this will be reviewed 12 months after it comes into practice and we hope that that review will result in further tightening. We regret the decision of the Scottish Executive to retain pre-release access of up to 5 days for Scottish devolved statistics. We hope that the UKSA will continue to press for tighter pre-release practices and offer RSS support in this.

5. The need for statisticians to understand the subject they are measuring – This is an often overlooked issue but it is, self-evidently, crucial if statisticians are able both to make the best judgements in areas of uncertainty and to plan for the future. To some extent this will be easier for statisticians in policy departments since their day-to-day work is likely to involve the acquisition of some such knowledge but it should not be assumed that this is necessarily adequate. It is essential for statisticians in the ONS and other non-policy areas to be given the opportunity to develop appropriate knowledge and make the necessary expert contacts. (See also point 25 regarding ONS relocation.)

6. Statistical coherence between the four UK administrations – Users often complain about the lack of comparability. Processes need to be put into place to ensure that there is harmonisation of statistical practice where this is justified by user need – but without infringing the autonomy of the devolved administrations. Where there are well-founded differences, the GSS should make efforts to “bridge” between the different statistics.

7. Defining National and other official statistics – The concept of “national statistics”, central to the new arrangements, has not been adequately developed. There is substantial variation between departments in the proportion of statistics that are badged as “national” statistics and some striking anomalies. We welcome the fact that monitoring report number 3 will review all official statistics not currently designated as national statistics and will also consider whether to notify the relevant minister that they should be considered for national statistics status.

In addition to defining “national statistics” there is also a need to define “official statistics” given the increasing trend to outsource official statistics to agencies. It is, also, important that official statistics which are not “national statistics” are still produced to high quality standards. Finally, there is also a need to clarify the accessibility of information for all institutions that produce statistics including quasi-public bodies such as Northern Rock and the partially publicly-owned banks.

B. Issues of particular current concern

8. Inadequacy of population and migration statistics - The problems are well known and we note that the UKSA will be reviewing this as its monitoring report no. 4.

9. The need for a national address register - for statistical purposes is well established. Previous efforts to set up a definitive register have failed, as highlighted by the Treasury Select Committee in its report “Counting the Population”. ONS is currently compiling a special register for the 2011 Census in England and Wales, buying information from the Post Office, Ordnance Survey, and the Local Government Information House. However, due to these three public bodies each defending their own intellectual property, this definitive register will not be available for any other purposes. The failure of public bodies to operate for the public good in England and Wales is in sharp contrast to Scotland, where a national address register is being created. There is a clear need for this issue to be tackled with vigour.

10. 2011 Census – The Statistics Commission and others have argued for 2011 to be the last of the current kind. High costs and high risks suggest that a different approach may offer better value for money. A clear strategy for the future needs to be established.

11. Housing market – the UK is badly in need of a coherent and comprehensive range of indicators for the housing market. This should include not only a definitive and comprehensive house price index available at appropriate levels of detail but also advance indicators such as prices at which dwellings are placed on the market. The UK Statistics Authority should also review whether there is adequate information about the mortgage market and the degree of financial pressure on householders.

12. Measurement of inflation - both the Consumer Price Index and the Retail Price Index have drawbacks. In addition there is a need to ensure that explanations of the various inflation series are communicated adequately to the public; this is particularly important at the moment. We welcome the fact that the communication of inflation is to be the subject of UKSA monitoring report no. 6 but would hope that this also looks at the compilation of the indices.

13. Retail sales series – while we accept that the official retail sales series is considerably more soundly based than the unofficial ones that are produced, the fact remains that there is a lack of confidence in it. This is particularly important at the moment, when retail sales will be a closely watched series as the UK passes through recession. If not already done, we recommend that efforts are made to discuss with key stakeholders, users and commentators to establish further the causes of discrepancies, to enable compilers of other series to accept where their series could be flawed and to ensure that there are not hidden flaws in the official series. The internet is, of course, likely to become increasingly important in this area.

C. Areas where the UK Statistics Authority should review whether actual or planned statistical information is adequate and appropriate.

14. Adequacy of environmental statistics to inform current debate – We note and welcome the fact that this will be the subject of monitoring report no. 8.

15. Crime statistics – what progress has been made in implementation of the recommendations of the Smith Review and the Statistics Commission review of crime statistics and what further steps are now needed to deal with public confusion/concern. We note that Monitoring report 7 will cover barriers to trust in relation to crime statistics.

16. League tables – Concerns on league tables have been expressed by academic and other commentators with particular reference to those for education and health. It would seem appropriate for the UKSA to review these concerns and consider whether some form of general guidance should be issued.

17. Educational Statistics – The Statistics Commission made a number of recommendations regarding educational statistics in its report no. 26: School Education Statistics: User Perspectives (2005). It would be appropriate for the UKSA to review the extent to which these had been implemented.

18. Adequacy of regional economic statistics – What progress has been made with implementation of the 2004 Allsopp Report (which was accepted in full by ministers); further steps now needed.

19. Progress following the Atkinson Report (January 2005) - on the measurement of government output and productivity; what other countries are now doing in this field.

20. Coverage of internet transactions. We appreciate that the ONS and the GSS generally have taken steps to enlarge relevant surveys, such as retail sales, to cover internet transactions. However, a fast-developing field, such as this, needs to be kept under close review since it could affect data in ways which are not immediately obvious.

D. Issues relating to general statistical practice

Many of these issues are covered, explicitly or implicitly, by the draft code of practice but they are points that we believe the UKSA should keep under review.

21. Use of administrative records for statistical purposes – following the provisions of the Statistics and Registration Service Act 2007, it should be easier for government statisticians to access records, such as tax and benefit records, to produce better statistics. Priorities and mechanisms need to be established. We welcome the fact that the draft Code of Practice covers this issue while noting that the relevant protocol needs some further work (this letter is finalised prior to the publication of the definitive Code of Practice).

22. Classification procedures – Classification decisions, in particular classifications which could have a political impact such as the allocation to the public or private sector of business enterprises and services, need to be taken independently by the government statisticians without undue pressure or involvement from policy departments and should be consistent with international guidelines.

23. Adequacy of documentation - Processes need to be put in place to ensure an adequate standard of documentation of statistics both for public use and for the use of government statisticians themselves. This should include information regarding the degree of uncertainty attached to data.

24. Outsourcing compilation of official statistics – Solid guidelines needs to be established on when, how and why statistical work is outsourced. In particular there are examples of some agencies being both the deliverer of services and the compiler of data relating to those services. This is clearly not desirable and, if essential, eg when data depend on management information, appropriate audit arrangements need to be put in place.

E. Other points

25. Pressures on ONS and the relocation to Newport – We have been concerned for some time over the combination of pressures on the ONS: severe budget cuts; the demand of the modernisation programme; changes required by the new legislation; relocation. This is a huge amount of pressure to put on an organisation at any one time.

While we accept that there are benefits in the relocation to Newport we remain concerned over the potential loss of expertise, in particular over the impact on National Accounts and Balance of Payments data. These are highly complex areas in which statisticians only become truly expert after a number of years work; as such the risk is greater than for most other statistical series. The high profile of these series (which can only be enhanced in current circumstances) means that any resulting problems could seriously damage ONS's and the UKSA's reputation. (We note that quality problems with national accounts was no. 3 in the list of top level risks for ONS noted in the UKSA paper SA (08) 25.)

In the longer term care will need to be taken that the move to Newport does not distance statisticians from users and other stakeholders including government policy makers, the Bank of England and major financial institutions.

26. Statistics to serve democracy – Over the long term consideration needs to be given to the production of statistics that inform the electorate on political issues at times of elections as occurs in, for example, Norway. To take one possibility: if and when a referendum on Scottish independence occurs, authoritative and unbiased information on government spending in different areas of the UK and regional sources of government revenue raising (including but not restricted to oil revenues) would be examples of data that could inform citizens throughout the UK. We appreciate though that this would be a high-risk initiative and would therefore need careful preparation.