

Assessment of compliance with the Code of Practice for Official Statistics

UK Regional Accounts

*(produced by the Office for National
Statistics)*

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About the UK Statistics Authority

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

The Authority's overall objective is to promote and safeguard the production and publication of official statistics that serve the public good. It is also required to promote and safeguard the quality and comprehensiveness of official statistics, and good practice in relation to official statistics.

The Statistics Authority has two main functions:

1. oversight of the Office for National Statistics (ONS) – the executive office of the Authority;
2. independent scrutiny (monitoring and assessment) of all official statistics produced in the UK.

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ASSESSMENT AND DESIGNATION

The *Statistics and Registration Service Act 2007* gives the UK Statistics Authority a statutory power to assess sets of statistics against the *Code of Practice for Official Statistics*. Assessment will determine whether it is appropriate for the statistics to be designated as National Statistics.

Designation as National Statistics means that the statistics comply with the *Code of Practice*. The *Code* is wide-ranging. Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Designation as National Statistics should not be interpreted to mean that the statistics are always correct. For example, whilst the *Code* requires statistics to be produced to a level of accuracy that meets users' needs, it also recognises that errors can occur – in which case it requires them to be corrected and publicised.

Assessment Reports will not normally comment further on a set of statistics, for example on their validity as social or economic measures. However, Reports may point to such questions if the Authority believes that further research would be desirable.

Assessment Reports typically provide an overview of any noteworthy features of the methods used to produce the statistics, and will highlight substantial concerns about quality. Assessment Reports also describe aspects of the ways in which the producer addresses the 'sound methods and assured quality' principle of the *Code*, but do not themselves constitute a review of the methods used to produce the statistics. However the *Code* requires producers to "seek to achieve continuous improvement in statistical processes by, for example, undertaking regular reviews".

The Authority may grant designation on condition that the producer body takes steps, within a stated timeframe, to fully meet the *Code's* requirements. This is to avoid public confusion and does not reduce the obligation to comply with the *Code*.

The Authority grants designation on the basis of three main sources of information:

- i. factual evidence and assurances by senior statisticians in the producer body;
- ii. the views of users who we contact, or who contact us, and;
- iii. our own review activity.

Should further information come to light subsequently which changes the Authority's analysis, it may withdraw the Assessment Report and revise it as necessary.

It is a statutory requirement on the producer body to ensure that it continues to produce the set of statistics designated as National Statistics in compliance with the *Code of Practice*.

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1 Summary of findings

1.1 Introduction

1.1.1 This is one of a series of reports¹ prepared under the provisions of the *Statistics and Registration Service Act 2007*². The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*³. The report covers the set of UK Regional Accounts statistics that are released by the Office for National Statistics (ONS) in the following publications:

- *Regional, sub-regional and local gross value added (RGVA)*⁴; and
- *Regional Gross Disposable Household Income (RGDHI)*⁵.

1.1.2 This report was prepared by the Authority's Assessment team, and approved by the Board of the Statistics Authority on the advice of the Head of Assessment.

1.2 Decision concerning designation as National Statistics

1.2.1 The Statistics Authority judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest, subject to any points for action in this report. The Statistics Authority confirms that the statistics detailed in paragraph 1.1.1 are designated as National Statistics, subject to ONS implementing the enhancements listed in section 1.5 and reporting them to the Authority by March 2012.

1.3 Summary of strengths and weaknesses

1.3.1 The UK Regional Accounts provide a detailed description of the UK economy at a regional and sub-regional level. ONS adopts international standards to produce these statistics. ONS has a good level of engagement with users that peer review the statistics – the Department for Business, Innovation and Skills (BIS), and the Devolved Administrations (DAs) – and Eurostat. It has little engagement with other users of the Regional Accounts, especially users within the English regions. Users told us that they were happy with the team's engagement. ONS answers users' queries well and the peer review process – whereby selected users help to quality assure the estimates – is valued by participants.

1.3.2 There is scope for ONS to provide users with more information about several aspects of the quality of these statistics, and to improve the quality to meet

¹ <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

² http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

³ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

⁴ <http://www.ons.gov.uk/ons/rel/regional-accounts/regional-economic-activity--gva-/december-2010/regional--sub-regional-and-local-gross-value-added.pdf>

⁵ <http://www.ons.gov.uk/ons/rel/regional-accounts/regional-household-income/march-2011/stb-regional-gdhi-march-2011.html>

users' needs. The commentary provided in the releases could be improved to aid user interpretation.

1.4 Detailed recommendations

1.4.1 The Assessment team identified some areas where it felt that ONS could strengthen its compliance with the *Code*. Those which the Assessment team considers essential to enable designation as National Statistics are listed in section 1.5. Other suggestions, which would improve the statistics and the service provided to users but which are not formally required for their designation, are listed at annex 1.

1.5 Requirements for designation as National Statistics

Requirement 1	a) Publish feedback from users about these statistics; b) Investigate and document the wider uses made of these statistics, including by users within the regions; and c) Take steps to engage further with users of these statistics (para 3.3).
Requirement 2	Publish a plan to improve the timeliness of these statistics to meet Eurostat's and others' requirements (para 3.4).
Requirement 3	Publish up-to-date information about ONS's plans to produce regional estimates of Gross Value Added based on the production approach (para 3.7).
Requirement 4	a) Review the methods used to produce residence-based estimates of GVA and smoothed estimates of the Regional Accounts and consult users about the findings; and b) Review the way in which the smoothed and unsmoothed estimates of the Regional Accounts are presented and explained (para 3.9).
Requirement 5	Publish more information about the quality of these statistics, including their strengths and limitations (para 3.10).
Requirement 6	Improve the commentary and analysis in the releases to aid user interpretation (para 3.14).
Requirement 7	Ensure that users of the Regional Accounts are involved in any consultation on changes to UK estimates (para 3.16).

Requirement 8

Review the list of those with pre-release access, with a view to reducing the numbers of individuals included (para 3.17).

2 Subject of the assessment

- 2.1 The UK Regional Accounts provide an overview of the economic performance of the UK at a regional and sub-regional level. They allow comparisons to be made between the economic performance of different UK regions, and between UK regions and other regions in the EU.
- 2.2 The Regional Accounts cover two main indicators of economic performance: Gross Value Added (GVA) and Gross Disposable Household Income (GDHI). GVA is a measure of output that is similar to Gross Domestic Product (GDP). Regional GVA (RGVA) measures the contribution of a region to the UK economy. GDHI is a measure of the amount of money that households have available for spending or saving. Regional GDHI (RGDHI) provides information that allows comparisons to be made between the wealth of different regions.
- 2.3 ONS told us that the Regional Accounts are used for economic policy making by the UK Government and the Devolved Administrations (DAs). The Department for Business, Innovation and Skills (BIS) and the Department for Communities and Local Government (DCLG) use these statistics to monitor economic performance at a regional and sub-regional level. The estimates provide information about topics such as the North-South divide and the importance of different industries to regional economies. The House of Commons library provides a standard note⁶ about these statistics and has referred to it in at least 45 pieces of work commissioned by individual MPs over the past year. The EU uses RGVA estimates to allocate resources from its Structural Funds⁷ – its main instruments for supporting social and economic restructuring across the EU. The RGDHI estimates are used by Eurostat to inform the debate around disparities in the income of regions across the EU area.
- 2.4 ONS produces estimates of GVA and GDHI for the UK as part of the UK National Accounts. The national estimates are broken down into Nomenclature of Units for Territorial Statistics⁸ (NUTS) regions. NUTS is a hierarchical spatial classification that provides a way to break down the European Union's territory for producing regional statistics. NUTS areas are comparable across the EU and, for simplicity, are referred to as regions within this report. ONS produces the Regional Accounts for the UK at three different geographic levels:
- NUTS1, which covers the 9 English Government Office Regions, along with Wales, Scotland and Northern Ireland;
 - NUTS2, which covers 37 areas, mainly groups of counties and unitary authorities; and
 - NUTS3, which covers 133 areas, principally individual counties and unitary authorities.

⁶ <http://www.parliament.uk/briefing-papers/SN05795>

⁷ http://ec.europa.eu/regional_policy/thefunds/index_en.cfm

⁸ http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction

Some GDHI and GVA, for example, for offshore oil and gas extraction, cannot be allocated to a specific region of the UK and is allocated, instead, to 'Extra-Regio'.

- 2.5 ONS releases the Regional Accounts in two annual publications: *Regional, sub-regional and local gross value added*, which is published in December – presenting NUTS1 statistics 11 months after the reference period and NUTS2 and NUTS3 statistics 23 months after the reference period; and *Regional Gross Disposable Household Income*, which is published in March – around 15 months after the reference period.
- 2.6 ONS produces estimates of RGVA and RGDHI in accordance with the European System of Accounts⁹ (ESA95), as required by the EU. This is to ensure that the estimates are directly comparable with the Regional Accounts of other EU countries through the use of standard methods and classifications.
- 2.7 Eurostat also requires Member States to produce estimates of Regional Gross Fixed Capital Formation (RGFCF) as part of the Regional Accounts. ONS has suspended the production of these estimates since 2003 as it was concerned about the suitability of the methods used to apportion UK estimates of GFCF to different regions. ONS is currently reviewing how best to resolve this issue. In 2010, ONS provided RGFCF estimates to Eurostat with warnings over the quality of the data. It did not publish the estimates for other users of the Regional Accounts.
- 2.8 The Regional Accounts have been considered in a number of independent reviews, including the following:
- The Nolan review¹⁰ in 2003, which examined the causes of errors which led to estimates for 1989 to 1999 being withdrawn in 2002.
 - The Wroe review¹¹ in 2003, which was one of the first quality reviews undertaken into ONS's outputs.
 - The Allsopp review¹² in 2004 which considered whether the changing economic structure of the UK was properly reflected in the nature, frequency and timeliness of official economic statistics.

ONS has published its response to the Nolan review¹³ and to the Allsopp review¹⁴.

- 2.9 ONS estimates the staff costs of producing these statistics to be around £226,000 for RGVA and £113,000 for RGDHI.

⁹ <http://circa.europa.eu/irc/dsis/nfaccount/info/data/esa95/en/titelen.htm>

¹⁰ <http://www.ons.gov.uk/ons/guide-method/development-programmes/other-development-work/index.html>

¹¹ <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/nsqr/theme/economy/nsqr-series-report-no-43---review-of-uk-regional-accounts.pdf>

¹² http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/consultations_and_legislation/allsop_review/consult_allsopp_index.cfm

¹³ <http://www.ons.gov.uk/ons/guide-method/development-programmes/other-development-work/previous-development-work/index.html>

¹⁴ <http://www.ons.gov.uk/ons/guide-method/development-programmes/allsopp-programme/index.html>

3 Assessment findings

Principle 1: Meeting user needs

The production, management and dissemination of official statistics should meet the requirements of informed decision-making by government, public services, business, researchers and the public.

- 3.1 ONS told us that it has a good level of engagement with users in BIS, the DAs, and Eurostat. The statistics are peer reviewed by selected users from BIS, DCLG and the DAs, following a recommendation in the Nolan review, and these users value this form of engagement. Since the closure of ONS's Regional Statistician Service¹⁵ in 2011, ONS has had little engagement with other users of the Regional Accounts, especially within the regions, and has also lost a significant resource for peer reviewing the Regional Accounts. ONS does not have a user group for these statistics. Some users expressed concern to us about the lack of a forum for discussing improvements to the Regional Accounts. ONS has not consulted with users about these statistics recently, although it plans to capture users' views through an online survey that seeks feedback from users.
- 3.2 ONS told us that it has a good understanding of the main uses of these statistics by the DAs, Eurostat and other Government Departments. Information about the main uses of these statistics – for monetary and wider economic policymaking – was published¹⁶ in 2004 as part of the Allsopp review.
- 3.3 As part of the designation as National Statistics, ONS should a) publish feedback from users about these statistics; b) investigate and document the wider uses made of these statistics, including by users within the regions and (c) take steps to engage further with users of these statistics¹⁷ (Requirement 1). We suggest that ONS refer to the generic classes of use put forward in the Authority's Monitoring Brief, *The Use Made of Official Statistics*¹⁸, in meeting this requirement.
- 3.4 ONS publishes regional GDHI statistics around 15 months after the reference period for NUTS1 to NUTS3, which is timely compared with other European countries. Provisional estimates of GVA are published for NUTS1 within a year of the reference period. For NUTS2 and NUTS3, GVA estimates are published 23 months after the reference period. In 2008, this was slower than 17 other European Union countries. By 2014, ONS will be required by Eurostat to produce NUTS2 level estimates of GVA within a year of the reference period, although ONS told us that it may be unable to meet this requirement in time and may seek a derogation. Some users told us that the availability of GVA estimates for NUTS2 and NUTS3 almost two years after the reference period limited the usefulness of the statistics for monitoring regional economies. As part of the designation as National Statistics, ONS should publish a plan to

¹⁵ <http://www.ons.gov.uk/ons/about-ons/governance/regional-statisticians/index.html>

¹⁶ <http://www.ons.gov.uk/ons/guide-method/development-programmes/allsopp-programme/about-the-allsopp-programme/index.html>

¹⁷ In relation to Principle 1, Practices 2 and 5 of the *Code of Practice*

¹⁸ <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/index.html>

improve the timeliness of these statistics to meet Eurostat's and others' requirements¹⁹ (Requirement 2).

¹⁹ In relation to Principle 1, Practice 4 of the *Code of Practice*

Principle 2: Impartiality and objectivity

Official statistics, and information about statistical processes, should be managed impartially and objectively.

- 3.5 These statistics are presented impartially and objectively in the statistical releases, which are themselves published in an orderly manner. Any significant revisions to these statistics are mentioned in the releases. The releases also contain a table indicating the extent to which revisions are due to the National Accounts. ONS told us that it plans to expand the information that it provides to users about revisions.

Principle 3: Integrity

At all stages in the production, management and dissemination of official statistics, the public interest should prevail over organisational, political or personal interests.

- 3.6 No incidents of political pressures, abuses of trust or complaints relating to professional integrity, quality or standards were reported to or identified by the Assessment team.

Principle 4: Sound methods and assured quality

Statistical methods should be consistent with scientific principles and internationally recognised best practices, and be fully documented. Quality should be monitored and assured taking account of internationally agreed practices.

- 3.7 The UK and the Republic of Ireland are the only EU countries to produce GVA estimates using the income approach, GVA(I). All other countries use the production approach, GVA(P). The income approach includes the effects of inflation – making it difficult for users to identify changes in the volume of economic output. The Allsopp review in 2004 recommended that ONS produce an estimate of GVA(P). Eurostat also requires ONS to produce real regional GVA growth rates by 2014. ONS has been investigating methods of producing GVA(P) and has published several articles²⁰ detailing progress, most recently in 2009. Users told us that they would welcome information about more recent progress. As part of the designation as National Statistics, ONS should publish up-to-date information about its plans to produce regional estimates of Gross Value Added based on the production approach²¹ (Requirement 3).
- 3.8 ONS has published *Regional Accounts Methodology Guide*²², which explains how the Regional Accounts estimates are produced. In response to a requirement from Eurostat, ONS has also published *Regional GVA Inventory for the United Kingdom*²³ (*Inventory*), which provides more detailed information about regional GVA. We suggest that ONS produce a detailed guide to the compilation of regional GDHI, equivalent to the *Inventory* for regional GVA.
- 3.9 ONS produces NUTS1 GVA estimates on a workplace basis, as required by Eurostat²⁴, and also on a residence basis. Residence-based estimates are produced by adjusting the workplace estimates for commuting. Users told us that the residence-based measure may be misleading and that the assumptions about the extent of commuting may need to be revisited. *RGVA* and *RGDHI* present smoothed estimates of the Regional Accounts. These estimates are produced using a five-year weighted moving average technique to remove year-on-year volatility caused by sampling and non-sampling errors. ONS provides unsmoothed estimates to Eurostat and publishes these as supplementary tables to the statistical releases. The Scottish Government told us that it always uses the unsmoothed estimates in economic analysis and would prefer the focus of the statistical releases to shift towards these estimates. ONS told us that the methods used to produce residence-based estimates of GVA and smoothed estimates of RGVA and RGDHI were established several years ago and that there is very little documentation available on the processes and decisions leading to the adoption of these

²⁰ <http://www.ons.gov.uk/ons/guide-method/development-programmes/allsopp-programme/regional-gva--production-approach-/allsopp-regional-gva-p--project--methods-development-of-regional-gva-on-a-production-basis.pdf>

²¹ In relation to Principle 4, Practice 5 of the *Code of Practice*

²² <http://www.ons.gov.uk/ons/rel/regional-accounts/regional-economic-activity--gva-/methodology-guide/ra-methodology-guide.pdf>

²³ <http://www.ons.gov.uk/ons/rel/regional-accounts/regional-economic-activity--gva-/september-2009/regional-gva-inventory.pdf>

²⁴ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-10-007-EN/EN/KS-RA-10-007-EN-EN.PDF

methods. As part of the designation as National Statistics, ONS should a) review the methods used to produce residence-based estimates of GVA and smoothed estimates of the Regional Accounts and consult users about the findings; and b) review the way in which the smoothed and unsmoothed estimates of the Regional Accounts are presented and explained²⁵ (Requirement 4).

- 3.10 ONS told us that it carries out consistency checks on data inputs, applies methods consistently and makes use of local knowledge for the regions of England and for Wales, Scotland and Northern Ireland from the peer review process. The methods used to produce the GVA estimates were reviewed by Eurostat in 2011 but the results of this work were not published. ONS does not publish estimates of the quality and reliability of the statistics within *RGVA* and *RGDHI*. Some information on quality is published in the form of Summary Quality Reviews^{26,27} (SQRs). This identifies some factors that can adversely affect the quality of the statistics but doesn't comment on the extent to which quality is actually affected. As part of the designation as National Statistics, ONS should publish more information about the quality of these statistics, including their strengths and limitations²⁸ (Requirement 5).

²⁵ In relation to Principle 4, Practice 1 and Principle 8 Practices 1 and 2 of the *Code of Practice*

²⁶ <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/economic-statistics/summary-quality-report-for-regional-gva.pdf>

²⁷ <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/economic-statistics/regional-gross-domestic-household-income--gdhi-.pdf>

²⁸ In relation to Principle 4, Practice 2 of the *Code of Practice*

Principle 5: Confidentiality

Private information about individual persons (including bodies corporate) compiled in the production of official statistics is confidential, and should be used for statistical purposes only.

- 3.11 ONS has assured us that it takes all necessary steps to protect the confidentiality of the data it collects. ONS told us that the data used to compile the Regional Accounts are aggregated so that there is no risk of disclosing information about individuals or businesses.

Principle 6: Proportionate burden

The cost burden on data suppliers should not be excessive and should be assessed relative to the benefits arising from the use of the statistics.

3.12 The burden imposed on suppliers of the data used to produce the Regional Accounts is minimal as ONS uses published data, where possible.

Principle 7: Resources

The resources made available for statistical activities should be sufficient to meet the requirements of this Code and should be used efficiently and effectively.

- 3.13 The ONS team responsible for producing these statistics relocated from London to Newport in 2008, as part of ONS' corporate relocation programme²⁹, and the team has subsequently been reduced in numbers. The Assessment team queried whether the resources allocated to this work were sufficient to meet the standards of the Code; we were told that the resources are sufficient at present, and that resources to meet emerging needs - such as those of Eurostat - will be determined as part of ONS business planning.

²⁹ <http://www.ons.gov.uk/ons/media-centre/statements/ons-relocation.html>

Principle 8: Frankness and accessibility

Official statistics, accompanied by full and frank commentary, should be readily accessible to all users.

3.14 ONS includes commentary within the releases, comprising factual summaries about the accompanying tables and charts. However, the releases do not include information about reasons for changes, the economic context for the statistics, the policy context for the statistics, or the relationships between regions. As part of the designation as National Statistics, ONS should improve the commentary and analysis in the releases to aid user interpretation³⁰ (Requirement 6). We suggest that in meeting this requirement ONS should consider the points detailed in annex 2.

3.15 Each publication is available in pdf format with detailed information contained within accompanying Excel tables. ONS is developing a video-podcast and interactive maps to make the statistics more accessible and to improve their impact. Data are also available within the ONS's *Time Series tool*³¹ which allows users to download data from a statistical release or individual variables in csv and Navidata®³² formats. Users of the *Time Series tool* need to have knowledge of the statistical release and the codes assigned to each variable to use productively. Variable codes are included within the releases but it is not explicit how to use these codes to extract data from the *Time Series tool*. We suggest that ONS increase the level of accessibility of data available via the Time Series tool by providing instructions to help users.

³⁰ In relation to Principle 8, Practice 2 of the *Code of Practice*

³¹ <http://www.ons.gov.uk/ons/datasets-and-tables/search/index.html?content-type=Dataset&content-type-orig=Dataset>

³² <http://www.ons.gov.uk/ons/site-information/using-the-website/navidata/index.html>

Protocol 1: User engagement

Effective user engagement is fundamental both to trust in statistics and securing maximum public value. This Protocol draws together the relevant practices set out elsewhere in the Code and expands on the requirements in relation to consultation.

- 3.16 ONS consults users about proposed changes to the National Accounts, but does not always include users of the Regional Accounts, even though such changes can have a significant impact on the regional estimates. An example is the new method for measuring bank output in the UK estimates (Financial Intermediation Services Indirectly Measured³³). As part of the designation as National Statistics, ONS should ensure that users of the Regional Accounts are involved in any consultation on changes to UK estimates³⁴ (Requirement 7).

³³ <http://www.ons.gov.uk/ons/rel/elmr/economic-and-labour-market-review/no--5--may-2007/improving-the-measurement-of-banking-services-in-the-uk-national-accounts.pdf>

³⁴ In relation to Principle 1, Practice 1 and Protocol 1 Practice 7 of the *Code of Practice*

Protocol 2: Release practices

Statistical reports should be released into the public domain in an orderly manner that promotes public confidence and gives equal access to all, subject to relevant legislation.

3.17 ONS has published a list of all individuals who have been granted pre-release access to RGVA³⁵ and RGDHI³⁶ statistics. Each pre-release access list includes 37 individuals, including ministers in the Devolved Administrations and government statisticians. As part of the designation as National Statistics, ONS should review the list of those with pre-release access, with a view to reducing the numbers of individuals included³⁷ (Requirement 8).

³⁵ <http://www.ons.gov.uk/ons/guide-method/the-national-statistics-standard/code-of-practice/compliance/annual--pre-release-access/regional-gross-value-added.html>

³⁶ <http://www.ons.gov.uk/ons/guide-method/the-national-statistics-standard/code-of-practice/compliance/annual--pre-release-access/regional-gross-disposable-household-income.html>

³⁷ In relation to Protocol 2, Practice 7 of the *Code of Practice*

Protocol 3: The use of administrative sources for statistical purposes

Administrative sources should be fully exploited for statistical purposes, subject to adherence to appropriate safeguards.

3.18 The administrative sources used in the compilation of the Regional Accounts are detailed in the Statement of Administrative Sources³⁸ published on ONS's website.

³⁸ <http://www.ons.gov.uk/ons/guide-method/the-national-statistics-standard/code-of-practice/statement-of-administrative-sources/index.html>

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to the Regional Accounts, in the interest of the public good. These are not formally required for designation, but the Assessment team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

- | | |
|---------------------|--|
| Suggestion 1 | Refer to the generic classes of use put forward in the Authority's Monitoring Brief: <i>The Use Made of Official Statistics</i> , in meeting Requirement 1 (para 3.3). |
| Suggestion 2 | Produce a detailed guide to the compilation of regional GDHI, equivalent to the <i>Inventory</i> for regional GVA (para 3.8). |
| Suggestion 3 | Consider the points detailed in annex 2, in seeking to improve the statistical releases (para 3.14). |
| Suggestion 4 | Increase the level of accessibility of data available via the Time Series tool by providing instructions to help users (para 3.15). |

Annex 2: Compliance with standards for Statistical Releases

- A2.1 In October 2010, the Statistics Authority issued a statement on *Standards for Statistical Releases*³⁹. Whilst this is not part of the *Code of Practice for Official Statistics*, the Authority regards it as advice that will promote both understanding and observation of the Code. In relation to the statistical releases associated with the Regional Accounts statistics, this annex comments on compliance with the statement on standards.
- A2.2 In implementing any Requirements of this report (at paragraph 1.5) which relate to the content of statistical releases, we encourage the producer body to apply the standards as fully as possible.

Appropriate identification of the statistics being released

- A2.3 The title of *RGVA* includes the coverage of the statistics, but *RGDHI* does not. Both releases use the appropriate headings and logos for a National Statistics product. The releases clearly identify the producer organisation, and include the name and contact details of the responsible statistician. Neither release includes a contents page describing the content of the release.

Include commentary that is helpful to the non-expert and presents the main messages in plain English

- A2.4 The language used in both releases is mostly straightforward, with some explanation of technical terms within the main text. The releases present some useful commentary by making suitable comparisons between regions and over time, using appropriate graphs and tables. Explanations of why these statistics are important, to whom, and for what they are likely to be used are absent from the releases. Information on the relationships between regions and the economic context for statistics, for example, information on the recent recession and the performance of the labour market is absent.

Use language that is impartial, objective and professionally sound

- A2.5 The text used in the releases is impartial and evidence based. The descriptions of proportions, changes and trends in the releases are appropriate.

³⁹ <http://www.statisticsauthority.gov.uk/news/standards-for-statistical-releases.html>

Include information about the context and likely uses

A2.6 The releases lack information about how these statistics are used, and the policy context of these statistics.

Include, or link to, appropriate metadata

A2.7 The releases provide information about revisions, but do not provide a link to where further information can be found about revisions to the national estimates of GVA and GDHI, which impact on the regional estimates. Statistics are clearly marked as provisional in tables and within the body of the releases. Provisional data used in some charts within the *RGDHI* release are not marked as provisional. The releases provide useful links to methodological and quality information, and include tables indicating the impact of revisions to the statistics, for example, due to changes to the National Accounts. However, the releases lack information quantifying the impact of revisions, except at the NUTS1 level and for broad categories of 'revision due to national estimates' and 'other'. The statistics contained within the releases are internationally comparable but a section comparing UK regions with those of Europe is absent.

Annex 3: Summary of assessment process and users' views

A3.1 This assessment was conducted from April to October 2011.

A3.2 The Assessment team – Neil Jackson and Gary Wainman – agreed the scope of and timetable for this assessment with representatives of the Office for National Statistics in April 2011. The Written Evidence for Assessment was provided on 17 May. The Assessment team subsequently met the Office for National Statistics during June 2011 to review compliance with the *Code of Practice*, taking account of the written evidence provided and other relevant sources of evidence.

Summary of users contacted, and issues raised

A3.3 Part of the assessment process involves our consideration of the views of users. We approach some known and potential users of the set of statistics, and we invite comments via an open note on the Authority's website. This process is not a statistical survey, but it enables us to gain some insights about the extent to which the statistics meet users' needs and the extent to which users feel that the producers of those statistics engage with them. We are aware that responses from users may not be representative of wider views, and we take account of this in the way that we prepare assessment reports.

A3.4 The Assessment team received 18 responses from the user consultation, 11 from users and 7 from suppliers. The respondents were grouped as follows:

Users:

Devolved Administrations	2
Central Government	4
Regional Public Sector	3
Local Enterprise Partnerships	1
Academic	1

Suppliers:

ONS	3
Central Government	2
Other	2

A3.5 Users told us that they were happy with their engagement with the producer team; ad hoc queries were answered well and the peer review process – whereby selected users help to quality assure estimates – is valued by those involved.

A3.6 Users reported that they would like the statistical releases to include more context around the statistics and reasons for any changes, and a more detailed explanation of methods, especially for *RGVA*. Users commented that they would find explanation of the coherence with similar statistics and explanation of the appropriateness for use, and types of use, to be helpful. Users would like

more timely and detailed geographical information, and the ability to remove the impact of inflation from the statistics.

A3.7 Some users questioned the validity and quality of the methods, particularly the use of smoothing and commuting adjustments for GVA. Data quality issues have led to one user commissioning a review of the appropriateness, robustness and reliability of the data in relation to their use. Users told us that they were concerned by the lack of coherence between the National Accounts and Regional Accounts consultations on changes to methods which impact on the Regional Accounts.

Key documents/links provided

Written Evidence for Assessment document

