
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Sir Nicholas Macpherson KCB
Permanent Secretary
HM Treasury
1 Horse Guards Road
LONDON
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19 June 2014

Dear Nick

BREACH OF PRE-RELEASE ACCESS: UK TRADE STATISTICS

I am writing following a report prepared by officials after a breach at HM Treasury of the statutory arrangements for pre-release access to official statistics, as set out in the *Pre-Release Access to Official Statistics Order 2008*. I am grateful to your colleagues for setting out the background to this breach and I welcome the corrective action which has been taken by your Department, both immediately following the breach and to prevent this from recurring in future.

I note that UK Trade statistics produced by ONS, which are market-sensitive, were distributed to some 421 officials who were not permitted to receive them, in HM Treasury and other departments, 40 minutes ahead of their publication at 9.30am on 9 May 2014. I am pleased that HM Treasury has reinforced its procedures for handling pre-release material to ensure compliance with the Code of Practice for Official Statistics.

I know that you will be aware of the position of the UK Statistics Authority in respect of pre-release access. As we set out in our independent review of the statutory arrangements for pre-release access, published in March 2010, the Authority's view is that the existence of pre-release access can undermine public confidence both in the statistical evidence and in the policies to which official statistics relate. Equality of access to official statistics remains a fundamental principle of statistical good practice, both in the UK and internationally.

It remains the view of the Board of the Statistics Authority that the current arrangements for pre-release access are unsatisfactory. As the Authority's statement of strategic priorities sets out, we will continue to argue against large numbers of Government ministers and officials having privileged access to statistics before Parliament and the public.

I am copying this to the Chancellor of the Exchequer; to Sir Jeremy Heywood, the Cabinet Secretary; and to John Pullinger, the National Statistician-designate.

Yours sincerely



Sir Andrew Dilnot CBE

BREACH OF THE CODE OF PRACTICE FOR OFFICIAL STATISTICS

A breach of the Code of Practice for Official Statistics occurs where one or more provisions of the Code were not followed in situations where an exemption or exception had not been approved by the UK Statistics Authority's Head of Assessment, as required in paragraph (xii) of the Code's preamble. Rules on pre-release access to statistics are covered in the relevant Pre-Release Access to Official Statistics Orders; the Code applies as if it includes these orders.

1 Background Information

Name of Statistical Output (including web link if relevant)

UK Trade, March 2014
<http://www.ons.gov.uk/ons/rel/uktrade/uk-trade/march-2014/index.html>

Name of Producer Organisation

Office for National Statistics

Name and contact details of the statistical Head of Profession (Lead Official in an Arm's Length Body) submitting this report, and date of report

Glen Watson, Director General (DG), ONS
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2 Circumstances of Breach

Relevant Principle/Protocol and Practice

1. Protocol 2 – Release Practices, Practices 7 and 8
2. Paragraphs 2 and 6(1) of the Schedule to The Pre-release Access to Official Statistics Order 2008

Date of occurrence

9 May 2014

Nature of breach (including links with previous breaches, if any)

At 8:50am 9 May 2014 the Treasury experienced a technical breach of the Q1 2014 UK trade release at an official level.

Briefing on UK trade data due to be released at 9:30am that day was accidentally circulated to a distribution list of government officials 40 minutes before public release of the data. This was the consequence of human error by a junior official.

The Treasury provides two distinct briefing functions for releases of National Statistics.

- 1) Where the Department has been granted pre-release access consistent with the *Pre-Release Access to Official Statistics Order 2008* briefing is circulated to a small number of Ministers and officials. The officials granted pre-release access is agreed with the ONS and Chief Statistician and this agreement was last updated on 17 April 2014. The standard Treasury pre-release list contains five Ministers, the Permanent Secretary, the Chief Economic Adviser, two special advisors, two press officers and two briefing officials.

This access enables Treasury Ministers and press office to be briefed in preparation for commenting publicly on potentially market sensitive data as soon as it has been released.

All Ministers and officials who receive pre-release briefing have signed a declaration confirming they are aware the conditions attached to this privileged access.

This pre-release briefing followed normal procedures for Q1 2014 UK trade data and no breach occurred.

- 2) As part of the Department's role in monitoring and briefing officials more broadly, the same briefing is then circulated to a wider copy list after the data is released publicly. This list contains 421 officials, largely Treasury, but also officials from the Foreign and Commonwealth Office, 10 Downing Street, HM Revenue and Customs, Business Innovation and Skills and the Office for Budget Responsibility.

It was in delivering this second function where the breach occurred and the briefing was sent to the wider copy list of officials at 8:50am before it had been released publicly by the ONS at 9:30am.

The breach became apparent and the relevant operational officials were informed at 9:05am. The email containing the briefing was recalled at 9:13am. By 9:21am the Treasury's Statistics Head of Profession, Chief Economic Adviser and the Director General of the Office of National Statistics were all informed of the breach. An email was also sent to the list of officials that had received the breach informing them that the briefing has been erroneously issued prematurely and was not publicly available until 9.30am. This email reminded officials that UK trade data are market sensitive National Statistics and attempting to profit from early access to that information could constitute market abuse and lead to criminal prosecution. All emails sent to the wider copy list prior to 9:30am were marked Official – Sensitive under the Cabinet Office security marking protocols.

Reasons for breach

This breach was the consequence of human error by a junior official. A briefing containing UK trade data was accidentally circulated in advance of public release of the data, in contravention of official Treasury briefing guidance.

3 Reactions and Impact (both within the producer body and outside)

ONS is not aware of any reaction or impact to this breach.
To the best knowledge of the Treasury there has been no reaction or impact. We are not aware of the information being disseminated beyond the secure government network to which it was sent.
Corrective action ensured the briefing was recalled and all recipients were made aware that they had received it in error.
The short period of time between the breach and the public release of data makes it unlikely that any recipient would have acted to profit from the information.
No comments from recipients, the media or general public have been received following the incident.

4 Corrective actions taken to prevent reoccurrence of such a breach (include short term actions, and long-term changes made to procedures)

The Treasury already has detailed guidance for officials responsible for producing briefing on Official Statistics. This breach demonstrates that there is scope to strengthen this guidance further. The following actions are in addition to existing arrangements and will be taken with immediate effect. Some address the specific weaknesses exposed by this event. Others represent a more general tightening of procedures. They seek to tighten processes and strengthen enforcement and compliance arrangements, along with increasing accountability and sanctions when breaches occur.

Pre-release briefing

- Briefing will always be circulated from the personal inbox of an official on the pre-release list, rather than a shared inbox. This will reinforce clear personal accountability for upholding the pre-release agreement.
- Briefing will be password protected before the point of public release.

Post-release briefing

- The official responsible for circulating post-release briefing will not have pre-release access to the data. This will ensure they cannot see the brief before public release, and so cannot circulate the brief before then.
- Recipient email addresses will not be entered until after the time of public release has passed. The time will be checked on at least two devices before briefing is circulated. Both these steps ensure that the email cannot be sent early in error.

Both pre and post release briefing

- A requirement for any official circulating briefing to do so only while physically working in the office and for two officials to be present when briefing is circulated (already a requirement on pre-release briefing).
- Hardcopy of a checklist of the briefing procedures will be ticked off and signed by the most senior official responsible before briefing is circulated, to ensure

compliance.

- Stronger sanctions for breaches: a single non-compliance with briefing procedures to be reported in annual appraisals with more than one leading to a removal of any pre-release access.

Other actions

- A thorough internal review of the circumstances surrounding this breach and the Treasury processes for briefing on National Statistics will be completed within one month.
- Three-monthly reviews of the Treasury's processes for briefing on National Statistics and random compliance spot checks of each branch responsible for briefing on National Statistics.

ONS Actions

- DG office is working with the Departmental Security Officer to review the process of sending pre-release access to identify areas for improvement.

5 Any other relevant supporting material (including link to published statements about this breach)