
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Caroline Flint MP
House of Commons
LONDON
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24 June 2014

Dear Ms Flint

ENERGY COMPANY OBLIGATION

Thank you for your letter of 2 June about the effects of changes to the Energy Company Obligation (ECO).

The statutory remit of the UK Statistics Authority, under the *Statistics and Registration Service Act 2007*, is to promote and safeguard the production and publication of official statistics. The information quoted by Mr Barker, and the more detailed information that you included in your letter, drawn from the ECO Impact Assessment, are not official statistics. They also include assumptions about future effects of policy changes, so they would be considered to be forecasts¹ rather than official statistics.

Nevertheless, I would make the following observation. Statistics have most value when they are presented in ways that allow appropriate comparison – for example, between population sub-groups, over time, between parts of the country, and with other countries. Generally, one would expect comparator periods to be of the same length, but if a comparison hinges on the outcomes of possible different policy interventions then it might not be unreasonable to look at periods of different lengths. It is important that the user of a set of statistics is made fully aware both of the period to which the statistics relate and the reasons for this choice. Context is also important: often the context in which statistics are quoted, in public discussion, is critically important in ensuring that they are interpreted appropriately. A single sentence describing a statistical finding can convey a quite different impression if taken out of the context established by a previous discussion. And in addition to the points above, it is important that those using and referring to statistics are clear in their use of terminology (such as whether a set of statistics is referring to households or people).

The Authority would expect any Government department that produces forecasts (whether related to official statistics or not) to adhere to the principles I have set out above.

Yours sincerely



Sir Andrew Dilnot CBE

¹ For more information on the distinction between forecasts and official statistics, see the Authority's Monitoring Review at <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-reviews/monitoring-review-9-2012---projections-and-forecasts-as-official-statistics.pdf>