

# **UK STATISTICS AUTHORITY**

## **Minutes**

**Friday 23 September 2016  
Boardroom, London**

### **Present**

#### **UK Statistics Authority**

Sir Andrew Dilnot (Chair)  
Professor Sir Adrian Smith (Deputy Chair)  
Ms Sian Baldwin  
Dame Colette Bowe  
Dame Moira Gibb  
Professor David Hand  
Professor Jonathan Haskel  
Mr Ed Humpherson  
Dr David Levy  
Ms Nora Nanayakkara  
Mr John Pullinger

### **Also in attendance**

Mr Robert Bumpstead  
Mr Joe Cuddeford  
Dr Andrew Garrett (for item 11)  
Ms Sarah Healey (for item 1)  
Mr William Laffan (for item 1)  
Mr Richard Laux (for item 10)  
Ms Heather Savory  
Mr Ben Whitestone (for item 13)

### **Apologies**

Mr Jonathan Athow

## **1. Department for Exiting the European Union**

- 1.1 Sir Andrew welcomed Ms Healey, Director General at the Department for Exiting the European Union (DExEU) to the meeting. Ms Healy outlined the work of her department, including its structure, interaction with other government departments, and priority areas.
- 1.2 The Board discussed the statistical information that would be required to inform the work of DExEU and the development of new structures for a post Brexit UK. The government statistical community could help DExEU to identify where important information gaps were, for example on the labour market, trade and migration.
- 1.3 It was noted that UK official statistics were bound by a large quantity of EU regulations.
- 1.4 There remained uncertainty about the precise nature of the UK's future relationship with the EU. The meeting considered this in the context of devolution, noting that the UK Statistics Authority had a UK-wide remit, and that the *Statistics and Registration Service Act 2007*, which created the UK Statistics Authority, had devolution built into its provisions. From a UK perspective, comparable statistics were essential, but it was also important that statistics met the needs of policy decisions in the devolved administrations. It was noted that strong working relationships existed between the National Statistician and the Chief Statisticians within the devolved administrations and a Concordat on Statistics had recently been agreed between the UK Government and the devolved administrations.

## **2. Apologies**

- 2.1 Apologies were received from Mr Jonathan Athrow.

## **3. Declarations of Interest**

- 3.1 There were no new declarations of interest.

## **4. Minutes and matters arising from previous meetings**

- 4.1 The minutes of the previous meeting held on 21 July were agreed.
- 4.2 The Chair reported on the topics discussed at the meeting of the non-executive directors that had taken place prior to the start of the Board meeting. The non-executives had discussed:
  - i. the process for the appointment of the next Chair of the UK Statistics Authority; and
  - ii. the development of plans for the Authority's regulatory function.

## **5. Report from the Authority Chair**

- 5.1 The Chair reported on his recent activities which included visits to the ONS sites at Titchfield and Newport. These visits had been both enlightening and encouraging and the Chair suggested other non-executive directors should arrange similar visits.

## **6. Reports from Committee Chairs**

### ADRN Board Annual Report

- 6.1 Professor Hand presented the ADRN Board's second annual report. The meeting heard that progress in securing access to government data had been made. The recent agreement to provide data by the Department of Work and Pensions was a notable example of success, though there was still a vast amount of potential yet to be unlocked.

### Regulation Committee

- 6.2 Sir Adrian reported on the meeting of the Regulation Committee held on 15 September. The meeting had considered plans for the regulatory function and progress with the Code of Practice stocktake.
- 6.3 The meeting had also discussed the assessment of *Statistics on National Insurance Number (NINo) Allocations to Adult Overseas Nationals*. This assessment had raised broader issues of cross-GSS coordination and coherency. The National Statistician had a responsibility for comprehensiveness and coherence of official statistics, and Mr Pullinger would be taking action. There should also be a responsibility for Heads of Profession to consider system-wide coherence.

## **7. Report from the Chief Executive [SA(16)31]**

- 7.1 Mr Pullinger provided an overview of activity and issues for August and September.
- 7.2 The Board heard that the Digital Economy Bill had its second reading on 13 September and this was an important milestone to deliver better access to data. Other positive developments included the Data Science Campus, which had opened its doors in Newport.
- 7.3 Mr Pullinger noted that while progress was promising, he was keen to ensure that the pace of reform was increased.

## **8. Report from the Director General for Regulation [SA(16)32]**

- 8.1 Mr Humpherson introduced a paper which provided an update on regulation activity since the last meeting.
- 8.2 The Board noted with concern that the Consumer Price Index including owner occupied housing costs (CPIH) had not yet regained its National Statistics status.

## **9. Plans for the Office for Statistical Regulation [SA(16)33]**

- 9.1 Mr Humpherson introduced a note which highlighted the main changes being made to the Authority's regulatory function, including the proposed new structure for the team, the new format for assessment reports, a proposed annual report, the approach to systemic reviews, proposed branding, and the scope of activities.
- 9.2 The Board discussed the scope and objectives of the function. A communications plan would be considered at a future meeting.

## **10. Code of Practice Stocktake [SA(16)34]**

10.1 Mr Humpherson introduced a draft report of the findings of the Code of Practice Stocktake.

10.2 The following comments were made in the discussion.

- i. The notion of ‘families of statistics’ was considered. Whether or not some components of a family could be National Statistics, while others were not, was discussed. This could be possible in some cases, though in the example of GDP, which is made up of lots of sub components, it did not seem that GDP could be National Statistics if some of its key components were not.
- ii. It would be useful to have some worked examples of how a revised Code would help resolve real issues.
- iii. The proposals reinforced the idea that responsibility for quality should sit firmly with Heads of Profession, and overall responsibility for providing a clear view on a topic was with the National Statistician.
- iv. There were many sets of standards around the use and release of data. Moving beyond the traditional official statistics release towards a world where the GSS and others would publish different types of data meant that standards had to be clear and straightforward.
- v. Voluntary compliance was a good idea but introduced a layer of complexity about what the nature of the Authority’s endorsement was. A worked example would be useful here.

10.3 The Board agreed that a clear narrative around the stocktake and next steps should be developed, separating out issues about the Code itself from proposals for how it should be used.

## **11. Independent Review of Methodology [SA(16)35]**

11.1 The Chair welcomed Dr Garrett to the meeting. Dr Garrett provided an overview of the draft recommendations from the independent review of ONS methodology. The recommendations would put innovation at the heart of methodology, broaden areas of expertise, and provide leadership to a broader methodology community across the GSS.

11.2 The following comments were made in the discussion.

- i. There was a need to take advantage of skills across GSS, particularly with regards to innovating with administrative data.
- ii. The current methodology culture was a ‘quality-first’ approach, rather than ‘innovation-first’. Moving towards an innovation-first approach was necessary, though this would not diminish the importance of producing high quality statistics which can be relied upon.
- iii. As with the Code of Practice stocktake, the methodology review reinforced that responsibility for checking quality was with the producer, rather than the regulator.
- iv. Increasing the appetite for innovation in methodology may also mean increasing the appetite for risk taking in methodology.
- v. Innovation could take many forms and one of Dr Garrett’s recommendations was to define innovation. One definition was that innovation is something where experimentation is encouraged, and failure is permitted.
- vi. The purpose of innovation was to deliver the Better Statistics, Better Decisions strategy. The strategy required radical change and it would be

necessary to work with the best experts in the world to understand how to mobilise the power of data.

11.3 The Board welcomed the review and its recommendations, and thanked Dr Garrett and the team that supported his review. Mr Pullinger and Ms Savory would now consider how best to implement the recommendations.

## **12. Management Information**

12.1 Mr Bumpstead provided an overview of performance information. The Board considered delivery confidence of key projects, in particular highlighting the pace and scale of change in reform areas.

## **13. Horizon Scanning**

13.1 Mr Whitestone outlined work to develop a high level Target Operating Model design for ONS, which included creating a picture of the future state of ONS and a framework to judge the strategic alignment of activities.

13.2 Due to time pressure the planned horizon scanning discussion was deferred to the next meeting.

## **14. Any other business**

14.1 There was no other business. The Authority Board would meet next on Friday 28 October at 10:00 in London.

# UK STATISTICS AUTHORITY

## *Agenda*

**Friday 23 September 2016**

**Boardroom, Drummond Gate, 10:30 – 16:00**

**Chair: Sir Andrew Dilnot**

**Apologies: Mr Jonathan Athow**

**10:30 to 11:00 – Non-executive session**

	Department for Exiting the European Union	Ms Sarah Healey
1	Minutes and matters arising from previous meetings <ul style="list-style-type: none"><li>• Declarations of interest</li></ul>	Meeting of 21-07-16
2	Report from the Authority Chair	Sir Andrew Dilnot
3	Reports from Committee Chairs <ul style="list-style-type: none"><li>i. ADRN Board Annual Report</li></ul>	Professor David Hand
4	<ul style="list-style-type: none"><li>ii. Regulation Committee</li></ul>	Professor Sir Adrian Smith
5	Report from the Chief Executive	SA(16)31 Mr John Pullinger
6	Report from the Director General for Regulation	SA(16)32 Mr Ed Humpherson
7	Plans for the Office for Statistical Regulation	SA(16)33 Mr Ed Humpherson
8	Code of Practice Stocktake	SA(16)34 Mr Ed Humpherson

**13:00 to 14:00 – Stakeholder lunch (ETC Venues)**

9	Independent Review of Methodology	SA(16)35 Mr Andrew Garrett
10	Management Information Deep Dive	SA(16)36 Mr Robert Bumpstead
11	Horizon Scanning	Discussion Sir Andrew Dilnot
12	Any other business	

**Next meeting: Friday 28 October 2016, 10:00 to 15:30, London**



***Chief Executive's Report, August/September 2016***

**Purpose**

1. This report provides the Board with an overview of activity and issues for August and September.

**Summary**

2. We have reached some significant milestones for the transformation of UK statistics – notably the second reading of the Digital Economy Bill, opening the doors of the Data Science Campus in Newport and the establishment of our Economic Experts Working Group (EEWG).
3. The pre-referendum spotlight on our statistics has been maintained. We can expect this to continue, with intense interest both in our regular outputs and the increasing range of new and enhanced products and services on offer.
4. Management focus on delivery is strong given the need to maximise the value from financial investments during this financial year and next. We need to combine delivery of efficiency targets with the achievement of value for money in our allocation of resources to reform and transform our activities.

**Review of recent activities**

5. The second reading of the Digital Economy Bill on 13 September was an important milestone. Access to data is fundamental to realising the ambitions set out in our strategy. We have had strong support from many stakeholders and need to continue to provide strong assurance to those with concerns about privacy and security. The Bill will now go for detailed scrutiny in the Commons before consideration in the House of Lords. Internally we have been continuing our efforts to review our policies and practices so that we can both make the most of the opportunity and manage the risks.
6. The Data Science Campus has opened its doors in Newport and the set-up phase is gathering pace as key appointments are made. Our apprenticeship scheme for data analysts has been extremely popular as has our MSc in data science. More generally, interest is very high and we are building good relationships with many organisations, including the Alan Turing Institute, Royal Society and British Academy.
7. We have appointed Martin Weale, Thomas Crossley, Jill Leyland, Peter Sinclair and David Metcalfe to form our Economic Experts Working Group along with our ONS Fellows (Diane Coyle, Nick Oulton and Mary O'Mahony). The invitation to tender for the Economic Statistics Centre of Excellence has drawn a wide range of interest. We will be reviewing applications over the weeks ahead and remain on track for delivery this financial year.
8. Other important developments in recent weeks include the following.
  - i. Following the referendum we published [guidance](#) on when the impact of the vote would be seen in our statistics. This was well received. Whilst some have wanted more from us, and sooner, most have supported the clarity, consistency and confidence we are giving. If the data access legislation is passed by Parliament the potential for our statistics to be faster and more targeted on the issues facing the country will be greatly enhanced in future – this point has been picked up by some commentators.
  - ii. In the meantime, regular releases continue but with added interest and scrutiny. Trade statistics have been a particularly challenging area where we have ramped up resources. Similarly for migration, where the now well established GSS team working to paint a coherent picture has been under pressure, including from observers such as Jonathan Portes. We continue to engage to build confidence. It helps that our only interest is to generate the best impartial evidence base to support decision making and debate.

- iii. In other areas, our strategy to engage and contribute information on the difficult issues is paying off. However, in the short term it can be quite daunting for teams at the sharp end when our technology transformation still has a way to go. Examples that we can use to inspire our colleagues include: the evidence we have submitted to John Cridland's pensions review; new statistics on cyber crime and child abuse and work on a "crime index"; the GSS response to the "counting calories" report on obesity; and progress on prices statistics building on Paul Johnson's review – including on the proposed Index of Household Payments.
- iv. More generally we are still skating on thin ice and at this mid-point stage in our strategy the Executive needs both to challenge and support teams under pressure to reform, transform and deliver. We can expect some turbulence ahead. Recent failures to hit our release time targets, difficulty in sustaining survey response rates and pace of data collection transformation are examples. However, I remain confident that we are on the right track. Evidence for this comes from: ONS pay for 2016-17 put into effect without delay; some 65 changes to the macro-economic aggregates introduced in the Blue Book and Pink Book without anything like the high level anxiety of two years ago; and a new office services contract changing to a new provider after many years.
- v. Looking across the whole system, this year's GSS conference showcased the depth and breadth of the work that is taking place. We managed, for the first time, to hold the GSS conference linked with the Royal Statistical Society conference, allowing a much greater cross-fertilisation and sense of common endeavour. Manchester was an excellent venue and the potential for sustained joint action across the profession is increasingly being realised.
- vi. Over the last month I have visited statistical teams in Newcastle and Edinburgh and Heather Savory has spoken at the UN Global Working Group on Big Data in Dublin and the Department for International Development statistical conference. Each of these events has inspired us with what is already happening and what is possible.
- vii. Siobhan Carey has taken up post as Director of the Northern Ireland Statistics and Research Agency following Norman Caven's retirement. Siobhan will continue as a member of the National Statistics Executive Group in her new role. Sean Whellams, Head of Profession for statistics at HMRC, has replaced Glyn Jones, Chief Statistician at the Welsh Government, on that group.

### **Future look**

9. In the next few weeks we will be increasing the focus on our Data Programme. We have several key appointments to be made and a significant amount of cross government activity with the Government Digital Service, government departments and partners in the UK and internationally. This will include the formal opening of the Data Science Campus. In parallel we will be working with parliamentarians in both Houses as the Digital Economy Bill progresses and further increasing our capability to analyse linked administrative data to support key policy issues.
10. We can expect our regular outputs to continue to be under serious scrutiny as the economic consequences of the referendum result unfold. Rob Bumpstead is leading the programme of work to prepare the GSS as a whole for statistical Brexit, coordinating requests for new work and analysis and working with colleagues to understand options for the future.
11. During October we will also be holding another round of ONS staff talks and conducting the regular survey of staff engagement, inside ONS and across the GSS. The survey will give us some good pointers on where we need to focus our efforts on leadership, management and skills for the period ahead and ensure that radical innovation flourishes across the range of our work.

**John Pullinger, 16 September 2016**

*Report from the Director General for Regulation*

**Purpose**

1. This paper provides an update on regulation activity since the last meeting in July.

**Recommendation**

2. Members of the Authority Board are invited to note the activities and proposed actions.

**Discussion**

Office for Statistics Regulation

3. We have made good progress towards the creation of an Office for Statistics Regulation. These are outlined in a separate paper and supporting annexes (see item 7), but the key points are that we have: clarified a statement of purpose; confirmed our new structure; developed revised approaches to assessment and systemic review; finalised our review of the Code of Practice; and developed a new approach to external relations and stakeholder engagement.
4. I have also spoken started to engage external stakeholders (IFS, ESRC, RSS, a range of GSS Heads of Profession, among others) on these changes. The overall reaction is very supportive, with very few dissenting voices. The main area of concern comes from a minority of Heads of Profession, who are unsure about the proposals on redefining what constitutes an official statistic – but even here, most Heads of Profession are supportive, and other stakeholders are uniformly positive.

Code of Practice stock take

5. The stock take is nearing completion. We have provided the stock take's conclusions as a separate paper to the Board (see item 8) which, subject to Board comments, we propose to publish. I would like to record my thanks to David Levy, who has chaired the steering group for this project.

Core activities

6. Alongside these strategic developments, we have nevertheless progressed a wide range of core regulatory activities. Given the scale of effort my team has put in to the design of the Office, I am impressed that they have been able to continue to work on these core regulatory matters. I have attached a summary, organised by domain, as an annex. Key points to pick out from this:
  - a) **CPIH and Trade:** These are two of the most high profile statistics that are published without a National Statistics designation. We continue to

liaise closely with John Pullinger, Jonathan Athow and the teams on what ONS should do to regain the National Statistics status. In both cases, there is good work by the team, but we would encourage ONS to make available to users a fuller account of the improvements it is making to the statistics – because it is crucial to engage with users of the statistics as a precursor to regaining confidence.

- b) **Health statistics in England:** we continue to work with producers (ONS, NHS England, NHS Digital, Public Health England) as they look to address the systemic concerns our work has identified. We also confirmed the designation of Hospital Mortality Indices as a National Statistic, but propose removing the National Statistic status from Autism Spectrum Disorder statistics. We see these individual judgements as a crucial part of creating a more coherent estate of National and official statistics, which answer the questions that users want to address.
- c) **National Insurance numbers allocated to foreign nationals:** we are in the latter stages of our assessment of National Insurance numbers. In the course of our assessment, we have become concerned that the statistics do not have sufficient public value to merit a National Statistics designation. This is because the statistics represent the output of a DWP administrative system which, in itself, fails to answer the key question users want to answer – which is how many migrants form part of the UK labour market and population.

DWP have expressed concern about our preliminary view, arguing that migration policy is not their responsibility, and they should not produce statistics that answer broader policy questions. To some extent we have sympathy with this perspective, and we are looking at the report again. We are likely to amend the report – though perhaps not our conclusion that the statistics need to improve significantly to be National Statistics.

I have also discussed this with John Pullinger, recognising that the issue is as much about cross-GSS coordination as it is about DWP itself, with a comprehensive picture relying on data from DWP, Home Office, HMRC and ONS itself. There is a good opportunity here to promote the role of the GSS in providing clear and comprehensive overviews of major policy issues, drawing on different pools of Departmental data.

- d) **Crime:** We have continued our systemic review of how crime statistics can adapt. At the same time, we propose to reinstate the National Statistics designation for Scottish recorded crime. This will be a major redesignation, reflecting significant efforts on the part of the Scottish Government to improve the statistics, and I propose to write to the Permanent Secretary to commend the work done by her statistical team.

- e) **Labour Force Survey:** my team is undertaking a focussed piece of work to ensure that we continue to be comfortable with the quality of the Labour Force Survey, in the light of falling response rates and public concern about potential undercounts of migrants.

### Challenges

7. The main challenge is:

- a) **Office for Statistics Regulation:** we are about to embark on the process of recruiting new members of the senior team, on both external engagement and to implement the Code stock take recommendations. We need to make sure we attract the right calibre of candidate. We also need to develop a launch strategy for the new office, together with an approach to a web presence and finalised approach to branding.

**Ed Humpherson, Director General for Regulation, 16 September 2016**

### **List of Annexes**

**Annex A     Regulatory Activities**

## Regulatory activities Aug-Sept 2016

Economy	Health and social care	Business and energy	Crime and justice
<ul style="list-style-type: none"> <li>• <b>CPIH, trade, construction:</b> Emphasised to John Pullinger and Jonathan Athow the key areas that ONS need to address before retaining National Statistics designation</li> <li>• <b>GERS:</b> reviewed the Scottish Government's publication arrangements for its Government Expenditure statistics, but decided that we would not make public comment.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Health and Care:</b> Continued senior liaison, including chair of NHS Digital, senior DH policy makers and with Public Health England CEO</li> <li>• <b>Standardised Hospital Mortality Indices</b> designation as National Statistics. Drew attention to the importance of this in letters to Chris Wormald and Secretary of State</li> <li>• <b>Autism Spectrum Disorders:</b> concluded that statistics should lose their National Statistics status and be published as experimental statistics.</li> </ul>	<p>No significant activity</p>	<ul style="list-style-type: none"> <li>• <b>Crime recording (Scotland):</b> confirmed the redesignation of Scottish police recorded crime statistics. DG will write to Permanent Secretary commending this achievement.</li> <li>• Working with Chris Lewis (Portsmouth University) on international approaches to crime measurement, and continuing broader review of how producers can adapt to changing demands for statistics on crime</li> </ul>
Labour market	Culture, society and government	Education and skills	Agriculture and environment
<ul style="list-style-type: none"> <li>• <b>Labour Force Survey:</b> Commissioned compliance check from team on falling response rates, in light of public concerns about undercount of migrants</li> <li>• <b>National Insurance numbers:</b> discussing our assessment of NINOs with DWP, and John Pullinger. Considering the balance between Departmental and GSS-wide responsibilities</li> </ul>	<p>No significant activity</p>	<p>No significant activity</p>	<p>No significant activity</p>
Population	Housing	Defence	Transport
<ul style="list-style-type: none"> <li>• <b>Migration:</b> See in labour market and NINOs above</li> <li>• <b>Winter Fuel:</b> confirmed NS designation</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Housing:</b> with Cambridge University Centre for Housing Policy Research, confirmed that we will conduct landscape review of housing statistics, working with new ESRC Centre.</li> </ul>	<p>No significant activity.</p>	<ul style="list-style-type: none"> <li>• <b>Northern Ireland:</b> confirmed National Statistics designation of road safety statistics.</li> </ul>

**UK STATISTICS AUTHORITY**

SA(16)33

***The Office for Statistics Regulation***

This document will be published on the UK Statistics Authority website in due course.

The document will be available at:

<https://www.statisticsauthority.gov.uk/monitoring-and-assessment/>

***Stocktake of the Code of Practice***

This document will be published on the UK Statistics Authority website in due course.

The document will be available at:

<https://www.statisticsauthority.gov.uk/monitoring-and-assessment/code-of-practice/>

**UK STATISTICS AUTHORITY**

SA(16)35

***Independent review of methodology***

This document has been published on the UK Statistics Authority website.

To see this document go to:

<https://www.statisticsauthority.gov.uk/publication/independent-review-of-methodology/>

**UK STATISTICS AUTHORITY**

SA(16)36

***Integrated Performance and Finance Report***

Management information on performance will be published as part of the Annual Report and Accounts in due course.

The document will be available at:

<https://www.statisticsauthority.gov.uk/publications-list/?type=annual-report-accounts>