

REPORTING A BREACH OF THE CODE OF PRACTICE FOR OFFICIAL STATISTICS

1. Core Information

Title and link to statistical output	Non-domestic rating: stock of properties and update of 2017 revaluation statistics https://www.gov.uk/government/publications/non-domestic-rating-stock-of-properties-and-update-of-2017-revaluation-statistics
Name of statistical producer	Valuation Office Agency
Name and contact details of person dealing with report	Colin Yeend Colin.yeend@voa.gsi.gov.uk 03000 501021
Link to published statement about the breach (if relevant)	
Date of report	13/2/2018

2. Circumstances of breach

<p>Relevant principle/protocol and practice¹</p> <p>VOA failure to apply Principle 2, Practices 1 & 7</p> <p>VOA failure to comply with principle 4: Sound methods and assured quality</p>	<p>The breach relates to statistics published on the stock of properties subject to Business Rates, published on the 5th October 2017, which the VOA later revised on the 18th January 2018 after becoming aware of an error in the underlying data.</p> <p>These statistics are referred to by Local Authorities, and the underlying data is provided to officials and the Ministry of Housing, Communities and Local Government to allow them to fulfil a number of statutory functions.</p> <p>While VOA officials made sure the MHCLG officials were aware of the error and worked at pace to correct it, they did not:</p> <ul style="list-style-type: none"> (a) Draw it to the wider public's attention; (b) Pre-announce when revised Official Statistics would be published; (c) Provide a full and comprehensive explanation of the correction. <p>While there are extensive quality control steps within each official statistics release, these failed to identify there was an error in the data set used for the publications.</p>
Date of occurrence of breach	18/1/2018
<p><i>Give an account of what has happened including roles of persons involved, dates, times etc</i></p> <p>On the 5th October 2017 the VOA published statistics on the stock of properties for Non Domestic Rating (NDR), including the number and 'Rateable Value' of properties, broken down by Local Authority.</p>	

¹ The principles and practices cited are from *Code of Practice for Official Statistics, Edition 1.0, January 2009*. This has since been superseded by the *Code of Practice for Statistics, Edition 2.0*

On Friday, 8th December 2017 statisticians at the VOA were notified of a potential issue with these statistics. The team were contacted by Dover Local Authority, who were unable to reconcile the published statistics with the data they held. Dover Local Authority also contacted officials at MHCLG, and MHCLG statisticians then contacted the VOA (also on the 8th) to query the issue, informing the VOA statistics team that they were using the same data, provided by the VOA, to calculate Local Government Funding settlements.

The VOA statistics team investigated immediately and identified an issue with the way the information was extracted from VOA's systems. The issue related to steps taken by the statistics team to account for an unusually high caseload received at the end of March 2017 (the end of a 7 year 'Rating List', and the last opportunity to raise cases against that list).

Because this is the first time this issue had been encountered, the team had developed code to take data extracted at a later point, and retroactively adjust it to arrive at a dataset which reflected the stock of NDR properties at 1st April 2017. Because of issues with the way data is recorded on VOA systems, that code resulted in an unanticipated number of eligible cases (around 1% of the total) being excluded from the dataset. These were maintenance cases where an original property was split after the cut-off date and the original property was excluded as well as the subsequent parts.

On Monday 11th December, the VOA statistics team contacted analysts at MHCLG and confirmed that there was an error in the data provided to them, which would need to be corrected, and that VOA would also need to revise their Official Statistics publication. The team did not, however, take any steps to draw wider attention to the error in the published statistics.

On 12th December, after reviewing the issue, the VOA statistics team confirmed to MHCLG that a revised statistics publication could not be made immediately available, due to the need to quality assure any revision. VOA consulted with MHCLG on the publication date, as a user of these statistics and the underlying data, and decided to publish in January.

On the 8th January VOA statisticians confirmed to MHCLG that the date for the publication of the revision to the 5th October NDR Official Statistics would be 18th January. The decision to publish on the 18th January was based on making sure that there was sufficient time to ensure that the underlying data had been fully corrected, and the statistics could be checked and quality assured before publication. VOA did not make any wider public pre-announcement.

On the 16th January, a senior MHCLG official alerted the Local Government Association to the fact that there would need to be revisions to local government funding that would be announced on the 18th January following the statistical revision due to be published that day.

On the 18th January VOA statisticians published revised Official Statistics, with the following explanation: "This release is an update of tables published on 5 October 2017. It uses an improved methodology to identify rateable properties on the 2017 Rating List at 1 April 2017." This was the first time the wider public was made aware of the issue.

3. Impact of the breach

Provide details of the impact of the breach both inside the producer body and externally

The impacts of breaches (1) and (2) was that users (in particular Local Authorities) were unaware that the data used to generate official statistics contained an error until the revision was published. The main impact was that local authorities had subsequently to adjust their financial planning for 2018-19 before budgets were finalised in February. For all but 3 authorities, the magnitude of the change was less than 1% and for no authority was it more than 1.6%.

4. Corrective actions (taken or planned) to prevent re-occurrence

Describe the short-term actions made to redress the situation and the longer term changes to procedures etc.

The statistics team at the VOA have taken the following steps:

- (1) The code used to extract the data from VOA systems has been corrected to ensure that the specific error will not be repeated.
- (2) Improving QA processes for all publications, including the introduction of data consistency checks, both internally within the statistical system and externally against the original administrative data, as part of the QA process for this publication, and making sure that similar checks are in place for other publications (where they are not already).
- (3) The team have updated the statistics landing page to provide additional explanations for the revision published in the middle of January, in particular to make sure it is clear that this revision is to address an error, and briefly setting out what that error was.

The VOA will also be:

- Inviting the UK Statistics Authority's Good Practice Team to look into the causes of this specific error, as well as looking at the VOA's wider processes for statistical QA and revisions, to ensure that lessons are learnt. VOA will also work with MHCLG to investigate the end-to-end process between VOA and MHCLG to ensure that rigorous processes are in place.
- Reviewing the existing policies and processes which exist around notifying users of revisions (both when known and announcing publication of the revision). This work will be carried out in consultation with the Head of Profession for Statistics in HMRC to ensure that policies and processes are consistent with best practice. Where additional guidance and training is needed for staff, this will be provided.