

# UK STATISTICS AUTHORITY

**Minutes**  
**Thursday 28 March 2019**  
**Boardroom, London**

## **Present**

### **UK Statistics Authority**

Sir David Norgrove (Chair)  
Ms Sian Jones (Deputy Chair)  
Mr Iain Bell  
Professor Sir Ian Diamond  
Professor David Hand  
Professor Jonathan Haskel  
Mr Ed Humpherson  
Dr David Levy  
Ms Nora Nanayakkara  
Mr John Pullinger  
Professor Sir Adrian Smith  
Professor Anne Trefethen

## **Also in attendance**

Mr Jonathan Athow  
Mr Nick Bateson  
Mr Owen Brace  
Mr Robert Bumpstead  
Mr David Freeman (for item 11)  
Ms Vanessa Holden  
Mr Andy Wall (for item 10)  
Mr Jonathan Zawadski (for item 9)

## **Apologies**

Ms Heather Savory

## **1. Apologies**

1.1 Apologies were received from Ms Heather Savory.

## **2. Declarations of interest**

2.1 There were no new declarations of interest.

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

3.1 The minutes of the previous meeting, held on 26 February 2019, were agreed.

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

4.1 The Chair had met with the non-executives prior to the Board meeting, to discuss the appointment of the next National Statistician, and the ongoing process to recruit a non-executive director.

4.2 On 4 March, the Authority received formal advice from the Bank of England, that the Authority's proposals regarding the Retail Prices Index (RPI) constituted material and detrimental change to the holders of relevant index-linked gilts. Upon receipt of the Bank's advice, the Chair had written to the Chancellor of the Exchequer, setting out the Authority's proposals on the RPI.

4.3 Sir David also noted that on 2 April, the Authority would appear before the Public Administration and Constitutional Affairs Committee, to provide evidence to their inquiry on statistics.

## **5. Report from the Chair of the Audit and Risk Assurance Committee**

5.1 Ms Nanayakkara reported on the work of the Audit and Risk Assurance Committee, which had met on 20 March 2019.

5.2 The Committee were continuing to consider risk management issues carefully. It was agreed that the Committee would monitor the development of strategic risks on the Board's behalf, returning to the Board once further work has been undertaken.

5.3 The Authority's internal audit function had been strengthened, with additional resource provided both internally and via a co-source partnership with PwC. The Audit and Risk Assurance Committee had provisionally approved the Internal Audit Plan for 2018/19, subject to its alignment with the organisation's risk profile.

5.4 Committee members had also noted the current financial position, the ongoing development of the business plan, and welcomed progress made by the Business Development team.

## **6. Report from the Chief Executive [SA(19)11]**

6.1 Mr Pullinger provided an overview of activity and issues for March, highlighting:

- i. themes from a recent series of Staff Talks, hosted across each of ONS's three sites;
- ii. ongoing work across Government to secure access to sources of administrative data;
- iii. new publications released by ONS, including faster economic indicators and an analysis of inequality in life expectancy;
- iv. the results of NatCen's latest survey on public confidence in official statistics; and
- v. that the Infrastructure and Projects Authority's latest Gateway Review of the Census had concluded.

6.2 Board members discussed ongoing work on data access, agreeing to return to the issue in further detail in April.

## **7. Report from the Director General for Regulation [SA(19)12]**

7.1 Mr Humpherson provided an update on regulation activity since the last Board meeting.

7.2 In February, the First Minister had used unpublished data to answer a question in the Scottish Parliament. The Office for Statistics Regulation (OSR) wrote to the Scottish Government to remind them of the importance of equality of access.

7.3 The OSR had recently published a report on the use of policing statistics in public discourse, which explored how well statistics and data support the public's understanding of policing in the UK.

## **8. OSR strategic priorities [SA(19)13]**

8.1 Mr Humpherson introduced a discussion on strategic priorities for the OSR. In doing so, he highlighted:

- i. changes in the external environment;
- ii. a growing focus on how the statistical system provides insight to users; and
- iii. a more explicit emphasis on wider application of the Code's pillars.

8.2 Members of the Board discussed the role of regulation within the broader statistical system, resource requirements, and the importance of end-users.

8.3 Regulation Committee would consider the strategic priorities, alongside the OSR's business plan and work programme at its April meeting.

## **9. Census communications update [SA(19)14]**

9.1 Mr Brace introduced a paper on the communications campaign to support the 2019 Census rehearsal. He discussed ONS's proposed approach to channels and audiences, development of campaign material, and its anticipation of, and response to, threats. The campaign would test ONS's communications operating model including incident response, to provide a strong evidence base for the 2021 Census campaign.

9.2 Mr Zawadski provided detail on the resources and training being developed to support the field force in encouraging participation throughout the 2019 Census Rehearsal and the 2021 Census.

9.3 The Board asked about ONS's potential to respond in the event of multiple incidents. Mr Zawadski explained that testing of ONS's response to multiple incidents had been scheduled for the summer.

9.4 Members thanked Mr Brace and Mr Zawadski for their update.

## **10. Security arrangements [SA(19)15]**

10.1 Mr Wall provided an update on ONS's security strategy, describing progress in its implementation and an evolving security landscape.

10.2 Members discussed possible threats to ONS's security and the current mitigations in place, before thanking Mr Wall for his comprehensive update.

## **11. Income and earnings [SA(19)16]**

11.1 Mr Athow and Mr Freeman introduced a paper which outlined work to date on improving statistics on income and earnings.

11.2 Members of the Board discussed the need for better data on the income and earnings of the self-employed, and of those at the lower end of the income distribution. They also considered the value in joining up sources from ONS and the Department for Work and Pensions.

## **12. Brexit update [SA(19)17]**

12.1 Mr Bumpstead provided an update on activities to prepare the UK statistical system for EU Exit.

12.2 At its July meeting, the Board agreed to the preparation of a statutory instrument (SI) to revoke EU laws relating to statistics that would no longer function as required following the UK's departure from the EU. The SI was made law when the Minister for the Constitution signed it on 6 March and will come into force, should there be a no-

deal exit. The Board recorded their thanks to the team for developing and delivering the SI.

12.3 On 27 February, a workshop was held to take stock of work that had been undertaken to prepare the UK statistical system for potential 'day one' impacts of a no-deal EU Exit. Mr Bumpstead updated the Board on actions in place to mitigate against potential risks to data collection and quality.

12.4 Board members discussed demands for data and statistics in the context of the UK's departure from the European Union.

**13. Any other business**

13.1 There was no other business. The Authority Board would meet next on Tuesday 30 April 2019 at 09:15 in London.

# UK STATISTICS AUTHORITY

## Agenda

28 March 2019, 09:15 to 14:00

Boardroom, London

**Chair:** Sir David Norgrove

**Apologies:** Ms Heather Savory

**Attendees:** Mr David Freeman (for item 10), Mr Andy Wall (for item 9), Mr Jason Zawadzki (for item 7)

### 09:15 – 09:45: Non-Executive Session

1 09:45-09:50 5 mins	Minutes and matters arising from previous meetings <ul style="list-style-type: none"><li>Declarations of interest</li></ul>	Meeting of 26 February 2019
2 09:50-10:05 15 mins	Report from the Authority Chair	Oral report Sir David Norgrove
3 10:05-10:10 5 mins	Report from Committee Chair <ul style="list-style-type: none"><li>Audit and Risk Assurance Committee</li></ul>	Oral report Ms Nora Nanayakkara
4 10:10-10:25 15 mins	Report from the Chief Executive	SA(19)11 Mr John Pullinger
5 10:25-10:40 15 mins	Report from the Director-General for Regulation	SA(19)12 Mr Ed Humpherson
6 10:40-11:15 35 mins	OSR strategy	SA(19)13 Mr Ed Humpherson
7 11:15-11:45 30 mins	Census communications update	SA(19)14 Mr Owen Brace Mr Iain Bell Mr Jason Zawadzki

### 11:45-12:15: Lunch

8 12:15-12:55 40 mins	Security arrangements	Oral update Mr Andy Wall
9 12:55-13:25 30 mins	Income and earnings	SA(19)16 Mr Jonathan Athow Mr David Freeman
10 13:25-13:55 30 mins	Brexit update	SA(19)17 Mr Rob Bumpstead
11 13:55-14:00 5 mins	Any other business	

**Next meeting: 30 April 2019, London, 09:15 to 16:00**

# UK STATISTICS AUTHORITY

## *Chief Executive's Report, March 2019*

### **Purpose**

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

### **Summary**

2. This month, we held eight Staff Talks sessions across three sites reaching approximately 900 staff. People were engaged and had a large number of questions. We focussed on three key areas:
  - i. making ONS a brilliant place to work: responding to the most recent staff survey;
  - ii. aligning around our common purpose: better statistics, better decisions, better lives; and
  - iii. the year ahead: Blue Book 19, Census rehearsal, better data for better research.
3. Our work with the National Cyber Security Centre, DWP and HMRC to access administrative data continues to progress.

### **Review of recent activities**

4. Important developments in recent weeks include the following:
  - i. alongside the Spring Statement, the Chancellor of the Exchequer laid a Written Ministerial Statement. Within this, there was reference to the Lords Economic Affairs report on RPI, announcing that the Government will respond to the Committee in April. Similarly, we have written to the Committee confirming we will also be responding in April;
  - ii. Jonathan Athow gave evidence to the International Trade Committee as part of their inquiry considering UK Trade in Services. Jonathan provided a factual contribution, which the Committee hopes to use as the foundation to base the rest of their oral evidence sessions;
  - iii. following the internal publication of our pay offer, all three of our recognised Trades Union accepted the offer which will be implemented this month;
  - iv. the Minister for the Constitution, Chloe Smith MP, visited the Newport office where she was provided with an overview of our strategy, an introduction to the Data Science Campus along with a meeting with a group of apprentices, and a demonstration of the Census electronic questionnaire;
  - v. on 19 March, an error lead to our press briefing room not being correctly isolated and headline results from our Labour Market Statistics were published on the Dow website at approximately 09:12. In line with our policy, on discovering the breach we published all data from our scheduled Labour Market Statistics as soon as possible, which happened by 09:15. We have since strengthened our processes for ensuring the press briefing room is isolated;
  - vi. this month has seen a number of new publications, providing information on people who have never worked, and another exploring the association between informal care provision and labour market participation in later working life;
  - vii. the latest report on public confidence in official statistics, published by NatCen, found that confidence in ONS, its statistics and other public bodies was high, at or above 80 percent. Trust in Parliament, government and the media also increased but remained substantially lower; and
  - viii. changes have been made to the Secure Research Service (SRS) allowing the first researchers to access their research projects securely without needing to visit ONS premises. As this becomes available to the rest of the research community, it will significantly improve the geographic reach of the SRS and, combined with the research powers of the Digital Economy Act, will lead to an increase in secure access to Government data, for research that serves the public good.

5. Progress with the Census and Data Collection Transformation Programme this month includes:
  - i. alongside the work on Census question design, Iain Bell met with the Minister for the Constitution and officials in No.10 to discuss the lack of data on religion in the UK. ONS are beginning to pull together a broader range of data sources to better understand this topic and will publish an analytical report on religion in the summer; and
  - ii. the Infrastructure and Project Authority are conducting a gateway review of the programme which involves interviews with a range of people involved in the programme to provide assurance of its deliverability.
6. Other activities and risks being managed during this period include:
  - i. on 7 March, the Office for Statistics Regulation re-designated Construction Output Price Indices, GB Construction Output Statistics and Construction New Orders as National Statistics. Since de-designation in December 2014, through extensive consultation with users the statistics have undergone significant development work which has resulted in improvements to many aspects to the suite of statistics, and the re-designation is a culmination of this hard work; and
  - ii. on 8 March, NHS Digital supplied Hospital Episode Statistics (HES) data under the first Digital Economy Act enforcement notice that the office has issued. These data have the potential to transform some of our outputs and represents a significant milestone for the Office.

#### **Future look**

7. The oral evidence session to the House of Commons Public Administration and Constitutional Affairs committee was postponed from March until April.
8. Over the coming weeks we will close the books on 2018-19 and prepare the annual report. Alongside this we are finalising plans for the period 2019-22.
9. The Data Science Campus and International Development teams are working with the Department for International Development (DFID) to establish a satellite hub for data science research, development and capacity-building activities. ONS data scientists, supported through Official Development Assistance (ODA) funding, will be co-located with DFID operations in East Kilbride, Scotland.

**John Pullinger, 21 March 2019**

# UK STATISTICS AUTHORITY

## *Report from the Director General for Regulation*

### **Purpose**

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

### **Recommendation**

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

### **Discussion**

3. Key activities since the last Board meeting include:
  - i. **Audit Committee paper:** I provided a paper to the Audit Committee summarising what our work says about the work of ONS and other producers. I have attached it as an annex to this report. It highlights progress on ONS production of economic statistics and migration statistics, and the growing ONS role in providing cross-producer leadership on housing and health. But it also draws attention to the opportunity for greater recognition of the new Code within ONS, and concerns about income and earnings. And it sets out the continuing challenges for other producers, including to improve housing statistics and to provide greater insight through official statistics publications;
  - ii. **Strategy:** I have provided an update on the OSR strategy as a separate paper for this Board. We have also discussed the strategy with producers and other stakeholders in England, Wales, Scotland and Northern Ireland;
  - iii. **RPI:** The OSR role on RPI, as with any set of statistics, is to judge whether the producer has a coherent strategy, and whether it is implementing its strategy effectively;
  - iv. **Education statistics:** We continue to monitor Department for Education uses of statistics. While there are clear signs of progress, there remains a tendency to communicate statistics through set lines of the “we are putting more money into schools than ever” variety;
  - v. **Homelessness:** We have received concerns about MHCLG’s rough sleeping statistics from the Shadow Housing Minister. These concerns are driven by the slow progress in improving these statistics, and in a failure to properly describe the impact of changing local authority counting methods on the aggregate figures. We are disappointed by MHCLG’s performance here;
  - vi. **Waiting times in Scotland:** In February, the First Minister used unpublished data to answer a question in the Scottish Parliament. We wrote to the Scottish Government to remind them of the importance of equality of access. We understand that this has led to a strong role for analysis in preparing Ministerial briefings;
  - vii. **Police:** We still aim to publish a paper on the public value of policing statistics in March, but have encountered some push back from the Home Office. This reflected a misunderstanding of the report’s purpose – which was not to criticise the Home Office, but instead to set out the opportunity to provide a fuller picture of policing through a wider range of statistics. We have been reconsidering how we frame the report;
  - viii. **NHS performance standards:** NHS England have published plans to pilot a move away from the 4-hour performance standard for A and E. They will explore a focus on an average wait for all patients instead. This move, which will lead to significantly different statistics, does not appear to have landed well with clinicians eg at the Royal College of Emergency Medicine, and this may become something we are asked to comment on publicly;



- ix. **OSR development:** We did not make an appointment to the role of head of our Edinburgh Office following interviews. We will now re-advertise;
  - x. **CSAP Annual Lecture:** I did the Annual Lecture for the Centre for Science and Policy (CSAP) at the University of Cambridge. I focused on the Gresham's Law risk that bad data may drive out the good, and how to mitigate this risk; and
  - xi. **External engagement:** I attended the Administrative Data Research Programme board in February; made presentations to DWP economists and DfE analysts; and I have joined the Royal Society's Science Policy Advisory Committee. I also hosted a round table on data story telling with the Winton Centre for Risk Communication (headed by Sir David Spiegelhalter) and attended by Tim Harford and Michael Blastland among others. And I spoke at an event hosted by OSR at the Scottish Parliament in Holyrood.
4. The main challenges are:
- i. **Planning:** We are challenging our plans to ensure we avoid over optimism;
  - ii. **PACAC:** The evidence session at PACAC is in now April. The themes of their questions are reasonably clear: OSR independence; whether there are genuine improvements in the public value of statistics; and the status of individual statistics like RPI and quarterly migration; and
  - iii. **Labour Party:** it is proving difficult to engage with the Labour Party on their uses of statistics (eg "crime is rising").

Ed Humpherson, Director General for Regulation, 21 March 2019.

**Annex A      Regulatory Activities**  
**Annex B      Audit Committee paper**

## Regulatory Activities March 2019

Economy	Business, industry, energy and trade	Health and social care	Labour Market and welfare
<ul style="list-style-type: none"> <li>• <b>Public Finances Systemic Review:</b> Outputs due to be published before end of April.</li> <li>• <b>Casework:</b> Private letter to HoP at DIT sent regarding confusion on FDI stats in Liam Fox's oral evidence to Int'l Trade Select Cttee. Investigation of what PM said at PMQ's about public spending commitments.</li> <li>• <b>Programme Planning</b> – Initiated stakeholder discussions and meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Construction Output and Prices:</b> Designated as National Statistics on the 7<sup>th</sup> of March.</li> <li>• <b>UK Trade:</b> Developing triangulation asymmetry analysis, covering four of the UK's main trade partners, with the ONS for presentation at the April Reg Comm.</li> <li>• <b>Annual Purchases Survey</b> – OSR's initial analysis being drawn together. Further user engagement planned with ONS Supply and Use team.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assessments:</b> ONS Avoidable mortality statistics designated as NS and assessment report on ONS cancer survival statistics published following Feb Reg Comm.</li> <li>• <b>Systemic review:</b> Terms of NHS Digital data access review to be published.</li> <li>• <b>Casework:</b> Published letter concerning Scottish Government's use of unpublished waiting times statistics to inform parliamentary debate. A number of items of casework are being dealt with by private correspondence.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Systemic reviews:</b> Published response to Jonathan Athow on income and earnings – highlighted disappointment with slow progress.</li> <li>• <b>Compliance checks:</b> Started CCs of DWP's Universal Credit and Benefit Cap statistics. Discussing findings with producer teams end of March. Held follow-up with ONS on CC of Effects of Taxes and Benefits statistics.</li> <li>• <b>Casework:</b> Investigating statement by Conservative Party on increase in the number of disabled people in work.</li> </ul>
Crime and Justice	Housing, planning and local services	Children, education and skills	Agriculture and Environment
<ul style="list-style-type: none"> <li>• <b>Systemic Reviews:</b> Policing statistics review: Paper sent for comment to producers and key stakeholders we met. Paper to be published in March and a communications plan has been written up on who we want to engage. Media analysis ongoing.</li> <li>• <b>Casework:</b> Investigating method used and communication of results of Home Office estimates of the cost of domestic abuse. A letter has now been published, without any response.</li> <li>• <b>Domain activities:</b> Plan to publish a blog to provide an OSR response to the progress made so far on the Cross Govt Housing and Planning Stats Work Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Compliance checks:</b> Met with Welsh Govt to discuss CC findings on Homelessness statistics late Feb with a view to publishing the findings letter during March.</li> <li>• <b>Systemic reviews:</b> Had an informal meeting with the assistant DD of GSS Strategy Delivery to give feedback on the latest activities that have come out of the Cross Govt Housing and Planning Stats Work programme, and to hear plans for next few months.</li> <li>• <b>Casework:</b> Working on complaint from Labour MP on MHCLG's rough sleeping statistics.</li> <li>• <b>Domain activities:</b> Possibly publishing a blog to provide an OSR response to the progress made so far on the Cross Govt Housing and Planning Stats Work Programme.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Casework:</b> Set up project team to review RSS concerns regarding Teaching Excellence and Student Outcomes Framework. Currently meeting stakeholders. Progressing further casework on school cuts, use of DfE figures around academy performance and Ofsted ratings.</li> <li>• <b>Skills Systemic Review:</b> Reviewing feedback from producer bodies.</li> <li>• <b>Compliance checks:</b> Welsh Examination Statistics – Met with producer and hoping to publish letter end of March. Drafting letter for Phonics screening check. Expecting to publish on 27<sup>th</sup> March.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Compliance checks:</b> Published letters of Scottish Sea Fisheries and UK Sea Fisheries statistics CCs on 12 Feb. Drafting letters for Scottish, Northern Irish and Welsh June Agricultural Census statistics – expecting to publish 28 March.</li> <li>• <b>Assessment:</b> Analysed feedback from users and data suppliers and reviewing producer evidence for assessment of Defra's air quality and emissions statistics.</li> </ul>
Security, defence and intl relations	Travel, transport and tourism	Population	Culture and Identity
<ul style="list-style-type: none"> <li>• <b>Domain Activity:</b> EH meeting with DfID DG on 18<sup>th</sup> March.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assessment:</b> Arranging start of National Rail Passenger Survey Assessment with Transport Focus.</li> <li>• <b>Compliance Checks:</b> Continuing CC of GB Road Safety Statistics.</li> <li>• <b>Domain Activities:</b> Engaging with Dept for Transport and Office of Rail and Road on Vol Application of Code by Transport organisations.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assessment:</b> Engaging with 3 census offices on phase 1 assessment. Submission of TQV statements on progress expected end of March.</li> <li>• <b>Compliance Check:</b> CC's of Nat population projections nearing completion. Expecting to publish findings end of March.</li> <li>• <b>Migration statistics:</b> Reviewing stats published in Feb and awaiting spring update on progress on transformation programme.</li> <li>• <b>Domain activities:</b> Attending ONS roadshows – 'our transformation agenda and the 2021 Census'</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Assessment:</b> Following up on meeting requirements for DCMS Economic Estimates assessment.</li> <li>• <b>Casework:</b> Looking into a query raised about official statistics published by Arts Council England.</li> </ul>

## Annex B – Audit Committee paper

### *The work of the Office for Statistics Regulation*

#### Purpose

1. This paper provides an update on regulation activity since the last Office for Statistics Regulation paper for the Audit Committee in January 2018. It focuses on what the work of OSR highlights about ONS and other producers.

#### Recommendation

2. Members of the Board are invited to note the activities and the issues highlighted, particularly the assurance and insights into the work of producers of statistics (ONS and other government producers).

#### Discussion

##### **i) The work of OSR**

3. The Office for Statistics Regulation (OSR) was established in 2016 following the Bean Review. OSR's purpose is to ensure statistics serve the public good. We do so by setting standards for Government statistics, and to ensure that producers (ONS and Government departments, agencies and other bodies) uphold those standards using a series of tools:
  - a) **Assessment of statistics:** OSR assesses statistics produced by ONS and other Government producers (departments, devolved Governments, agencies) against the Code of Practice and publishes the Assessment Reports.
  - b) **Designation as National Statistics:** Following these Assessment Reports, we designate statistics as National Statistics. This designation signals to public users of statistics that the statistics meet the highest standards of trustworthiness, quality and value. There are 860 National Statistics. We can also de-designate statistics where there are concerns about their compliance with the Code.
  - c) **Compliance checks:** Assessment reports consist of detailed analyses of the statistics, and we do not have the resources to look at a large number of statistics in any given year. The risk would therefore be that some producers could go several years between assessments, and not have the focused challenge to improve that assessments provide. So we have developed a lighter touch review tool called a compliance check which takes less time but highlights issues for the producer to address.
  - d) **Systemic reviews:** Users of statistics rarely use an individual statistical output in isolation. They are interested in broader topic areas. So we conduct systemic reviews which look at how groups of statistics come together to meet user needs. These reviews take a variety of forms, ranging from detailed reports to convening events to bring users and producers together.
  - e) **Casework:** We look at specific cases of how statistics are used in public debate, leading to us reaching judgements on the case in question. We publish the most significant of these judgements, which can be high profile and attract significant media attention.

- f) **Insight:** We are also developing a new stream of outputs called Insight. Insight will be a strategic communications tool, aiming to bring common themes from our work to the attention of the whole community of producers.

4. In 2018/19, we have worked on:

Assessments completed	Designations confirmed	De-designations	Compliance checks completed	Systemic reviews completed and in progress	Casework completed
8	7	1 (Homelessness in England)	40	14 (11 in progress, 3 completed)	90 (24 published)

**ii) Themes from OSR work: Office for National Statistics**

5. We have done a range of work on ONS's economic statistics and population statistics. Key themes are:

- a) Our work highlights a series of improvements in economic statistics following the Bean Review. Our assessments of Regional Gross Value Added statistics focused on a series of technical improvements and greater timeliness, and our redesignation reviews of both construction and trade demonstrated extensive work undertaken by ONS teams to improve these important statistics. In our systemic review on statistics for City Regions we concluded that ONS had extended its user engagement and provided much more useful information for city regions.
- b) There are exceptions to this general picture of improvement of economic statistics. The main one is statistics on income and earnings. Since our review in 2015 there have been only incremental improvements, and the overall problem – multiple sources, lack of a coherent picture of living standards – has not really been fixed. In addition, across economic statistics there seems to be a series of minor errors reported on a monthly basis. And ongoing work to develop the National Accounts may highlight further areas that require change (eg based on the new purchases survey, which could cast a different light on the supply chain interactions in the economy).
- c) On population and policy we see a strong emerging strategy on migration, based on a steady process of refresh drawing on administrative data sources. Housing demonstrates ONS's greater emphasis on cross GSS leadership, using the new Head of Profession within ONS although there remains a lot to do to support the main producer, the Ministry of Housing, Communities and Local Government. On health, ONS has agreed to provide leadership to the GSS producers on this issue, but again there is more to do here.
- d) We have reported publicly a range of quality issues in the population and public policy area, including on travel and tourism and migration statistics, and in our assessment of cancer survival statistics. While these errors do not have a single common cause, we have identified there may be a general theme around how

ONS communicates with users about quality concerns and how they impact on the use of the statistics.

- e) One final issue is ONS has not seemed as engaged with the new Code of Practice as other Government Departments. When we first launched the Code we did run a series of workshops in ONS, and the ONS Head of Profession and central teams are aware of the Code. But as a producer, awareness of the new Code within ONS seems to us to be dependent on the individual Deputy Directors. Other producers have set up events to communicate the Code's principles more widely than official statistics. We are not aware of any wider adoption of the Code's principles (eg for ONS outputs that are not official statistics). I have raised this issue on a couple of occasions with the National Statistician. ONS has also not yet implemented the regulatory requirement introduced in February 2019 to update its description of the National Statistics designation. Although other producers have also not yet implemented this requirement, there is an opportunity for ONS as the National Statistical Institute to take the lead here.

### iii) Themes from OSR work: Other producers

- 6. We have also identified a range of issues looking at other producers across the UK public sector. The main themes from this work are:
  - a) Innovation: across our work we see a strong appetite for innovation. But producers also face barriers. In England in particular, the linkage of large datasets can be limited by Departmental reluctance to agree to linkage; and everywhere resources are an issue. As a result of these barriers, much of the innovation that we have seen in our work either takes place in the presentation and dissemination of statistics, as opposed to the creation of new datasets. Our systemic review of innovation in education statistics highlighted several innovative approaches to disseminating education statistics. The restrictions of the .gov.uk website represent a general constraint to innovative dissemination raised by several producers. Outside England, our data linkage systemic review pointed out successes in Wales and Scotland.
  - b) Leadership: We have highlighted concerns with the coherence and accessibility of statistics on housing and health. In both cases users can be left to form their own picture of what the statistics say, as opposed to being guided by the producers. In our view, this demonstrates ambiguities as to who should provide statistical leadership (eg in health, should it be the Department of Health, NHS Digital or the ONS?). As noted above, the ONS is stepping in to coordinate statistical activity in these areas, thereby providing leadership. But it would be better if this leadership came from within the producer bodies. There tends to be greater coherence outside England (eg in both health and housing). As a related issue we still see many outputs that do not provide insight – simply reporting a series of numbers without much added value.
  - c) Communication issues: One of the most significant issues that we have raised over the last year concerns the communication of statistics. We highlighted concerns with the Department for Education in October about misleading uses of statistics. We have also raised concerns about the use of unpublished information by the Scottish Government and MHCLG; and about the communication of statistics by Defra (on plastic straws) and Home Office (on domestic abuse). The unifying thread to these cases is the risk that statisticians and analysts do not have sufficient voice in the internal communication process, and our interventions in all these cases aim to empower the statisticians to raise concerns in future.

- d) Public value: We see several areas where public value of statistics could be enhanced. We published a summary of our work on accident and emergency waiting times statistics in November, which argued that the value of the statistics was undermined because the public purpose of the statistics was unclear; in February we published a summary of social care statistics which highlighted how these statistics are not meeting all user needs in any of the four countries of the UK; and we are due to publish a review of policing statistics which highlights a failure of the statistics to inform public debate about the activities of police forces. We expect this theme of informing public debate, alongside a greater focus on coherence, to feature in our work prominently in 2019/20.

**iv) Assurance on OSR work**

- 7. The purpose of this paper has been to summarise the themes of OSR's regulatory work. This last section summarises for the Audit Committee the sources of assurance over OSR itself:

- a) Management: The OSR has a monthly Programme Review function which monitors the implementation of the OSR strategy and business plan. This is based on a project tracker which provides a granular perspective on each project and a summary of progress against the work programme as a whole. The Programme Review function also reviews the OSR corporate risk register and progress against the Plan on a Page (a single page summary of the business plan). The Plan on a Page includes a series of areas of performance focus – like proportion of casework that is self-generated – and these measures are reviewed three times a year. The Plan on a Page is included as an Annex.

The main findings of management review this year have been that:

- the work programme was too large and ambitious. A number of projects have been deferred and for 19/20 we have developed a much smaller work programme; and
- we are broadly on track against the Plan on a Page – the main ambitions for the year.

- b) Regulation Committee: the Regulation Committee provides strategic overview of our regulatory work. It reviews and approves our strategy, annual business plan, and budget, and approves all key regulatory decisions on assessment against the Code of Practice. It agrees the broad content and communication of systemic reviews and approves our annual report on casework. The main focus this year has been the regulatory judgements on migration, trade and construction; and the systemic reviews including our flagship review on data linkage and reviews of classifications, social care, policing and public finances.
- c) Audit and other external assurance: There have been three main engagements with Internal Audit this year: a review of casework, which gave a Substantial (green) level of assurance; a review of risk management, which gave a Moderate (amber) level of assurance; and a workshop with internal audit on how best to obtain feedback on OSR work from producers and others. Action plans are in place as a result of all three engagements. In addition to internal audit, we are seeking external review of our media profile; and are obtaining feedback, through consultation exercises, both on the new on-line Code of Practice (the i-Code) and

on our compliance check programmes. We will be able to report the results of these exercises in 2019/20.

**Ed Humpherson**

**13 March 2019**

## Annex 1: Plan on a Page

### Our Purpose:

We aim to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

<b>Trustworthiness:</b> Confidence in people and organisations that produce statistics and data.	<b>Quality:</b> Data and methods that produce assured statistics.	<b>Value:</b> Statistics that support society's needs for information.
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### Our Strategic Drivers 2018/19

**Improve the value provided by statistics**

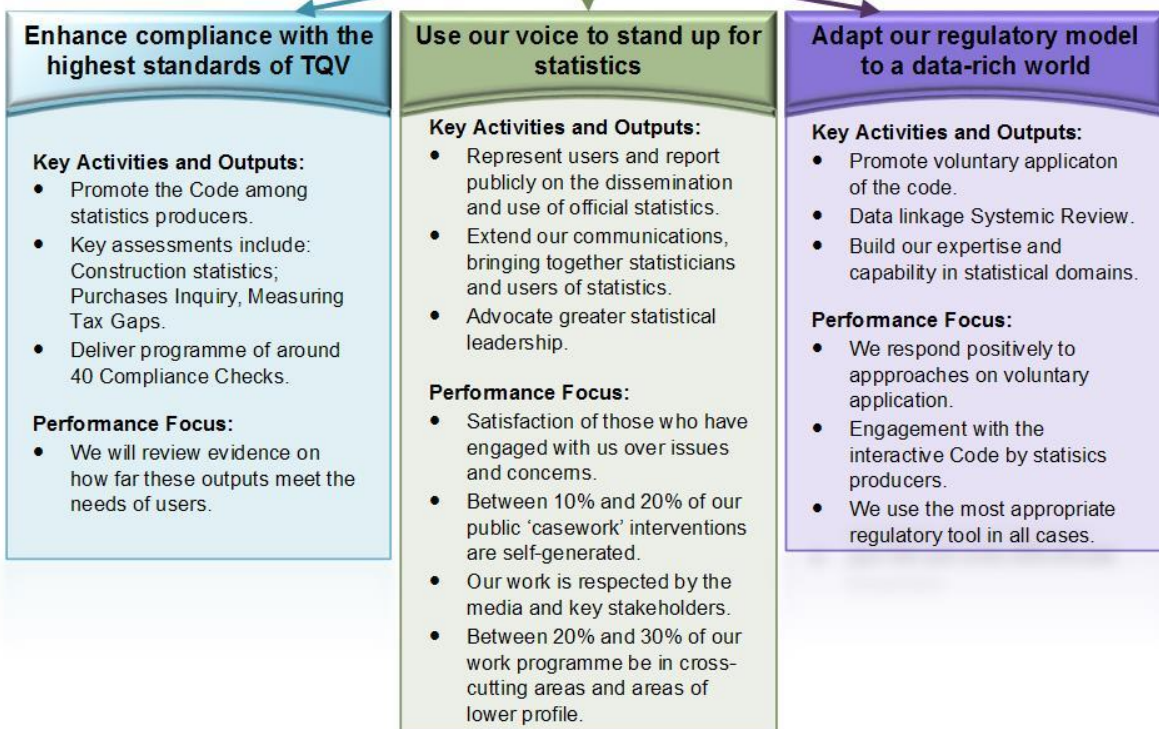
**This is the key driver that underpins all aspects of our work.**

**Key Activities and Outputs:**

- Start reviews on statistics relating to social care, skills and public finances.
- Continuing reviews of health, including mental health; housing and migration statistics.
- Look at the public value of statistics to understand inequalities and on children and young people, and older people.
- Annual Review.

**Performance Focus:**

- We will review evidence on how far these outputs meet the needs of users.





# UK STATISTICS AUTHORITY

## *The strategy for the Office for Statistics Regulation*

### **Purpose**

1. This paper provides the background to the proposed strategic priorities for the Office for Statistics Regulation (OSR). It builds on strategic discussions at the Board in November and the Regulation Committee in February.

### **Recommendation**

2. Members of the Board are invited to provide comments on OSR's strategic priorities, which will then be updated and presented for final approval to the Regulation Committee.
3. These strategic priorities consist of a short statement of vision and supporting mission. The Regulation Committee will review and approve the business plan for 2019-20 and work programme alongside its discussion of the strategic priorities.

### **Discussion**

#### Introduction

4. OSR's recent work on strategy responds to changes in the external environment and to OSR's own development as an organisation. It has a stronger focus on how the statistics system provides insight to users; a more explicit emphasis on wider application of the Code's pillars; it maintains OSR's role in protecting the role of statistics in a public debate; and aims to achieve a better understanding of the public good role of statistics.

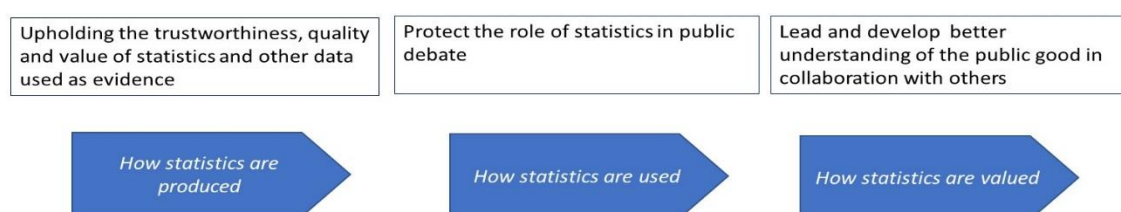
#### Vision

5. Our vision is based on the positive role that statistics should play in public debate. This vision emphasises that *statistics must serve the public good* (as opposed to being solely a tool for official decision makers like Ministers and the Bank of England). And to serve the public good, it must be possible for *people to be able to filter the useful information* from the less useful information, so they can use *statistics with confidence*.

#### Principal activities (mission)

6. OSR's aim will be to focus all its activities on contributing towards this vision of serving the public, and enabling people to filter information. It will do so through three main areas of activity:
  - i. **Upholding the trustworthiness, quality and value of statistics:** OSR will continue to assess statistics against the Code and form judgements about compliance. OSR will also promote wider adoption of the Code's principles for a wider range of data presented as evidence in public debate (e.g. financial memoranda, management information, performance reports, social research). OSR will continue to review the statistical system, focusing on issues like coherence in areas like health and income; data linkage; and statistical leadership. The purpose of all this work will be to enable producers to signal publicly that their outputs meets the highest standards, including through the National Statistics designation;
  - ii. **Protecting the role of statistics in public debate:** OSR will continue to identify and form judgements on risks of misuse of statistics in public debate. This is not an all-purpose role of commenting on the quality of argument. Rather it is focused on the risk that confidence in statistics is undermined by the way they are presented and used. OSR will do this in a more systematic way, informed by better intelligence on the prominent uses of statistics and with a more transparent description of our casework activities on our website;

- iii. **Develop and lead a better understanding of the public good in collaboration with others:** OSR will gather empirical research and work with ONS, RSS and others to develop a clearer understanding of the public good role of statistics. This work is essential to highlight the role that statistics play in the choices that people make, consider the risks to the public value of statistics in a changing environment, and identify ways to improve how statistics are communicated. It is a gap in OSR's current work that this analysis has not yet been done, and addressing it will help demonstrate the value of statistics to society.
7. These three streams of activity work together to support the vision of statistics that command public confidence. Upholding trustworthiness, quality and value is about the way statistics are *produced*, and whether they can bear the weight that is put on them. Protecting the role of statistics in public debate is about ensuring that the way statistics are *used* does not undermine public confidence in them. Leading a better understanding of the public good is about the evidence that demonstrates why statistics should be *valued*.



8. The focus on the production of statistics will largely be a planned activity, while the focus on use will be more led by context and reaction to emerging issues. Compared to these delivery components of the strategy, which are characterised by the formation of rigorous judgements, the focus on how statistics are *valued* will be more developmental and research-led.
9. The strategic proposal for the OSR balances continuity and innovation. The continuity involves maintaining a focus on assessing statistics and reviewing the statistical system; and maintaining the regulatory role of commenting publicly on the uses made of statistics. For both the assessment and public use roles, the strategy provides a sharper focus, but the activities will broadly continue. The innovation comes from a recognition that the statistics and data landscape is changing rapidly. This leads to a stronger focus on the use of other forms of data (management information, open data, social research) as evidence in public debate; and to a new focus on developing a better understanding of the public good role of statistics.
10. The scope of OSR's work will be more clearly defined as statistics, and other data that are used to inform public debate. By "other data used to inform public debate" we do not mean all data for all uses. It does not encompass for example data used for operational or fraud prevention purposes. Nor does it extend to management or accounting information. Instead, the focus is on aggregated information that is published to help people understand the current and historic nature of a policy, issue, problem, or population. For example, we recently commented on the use of unpublished management information by Scotland's First Minister to defend her government's performance on health. These data were management information, not official statistics. But by virtue of being used publicly to illustrate trends over time, they fell into our remit regardless of the way they had been badged by the Scottish Government. Similarly, the Secretary of State for International Trade recently used data published by Ernst and Young on the attractiveness of the UK as an investment destination, and we were willing

to comment on this use even though these were not official statistics. In summary, focusing on data used as evidence does not hugely extend the remit, but it does clarify that we focus on statistics and on other forms of information that are *playing the role of* statistics or are used in lieu of statistics. We expect that some producers will be challenged by this since it focuses not on how something is classified (official statistics or not) but on the role it plays and how it is used.

### **Background 1: OSR stocktake 2016-2018**

11. OSR was established in 2016 following the Bean Review. The initial aims were to establish a more visible and separate identity within the Authority (the predecessor function was carried out by a less visible team called Monitoring and Assessment); deliver a more systemic focus – not simply assessing individual statistics but reviewing how groups of statistics provide useful insight to users; and provide a greater focus on quality as well as on the governance and communication of statistics.
12. OSR has largely delivered against these aims. The new Code of Practice for Statistics delivers a stronger focus on both quality and value, and it has been adopted on a voluntary basis by several organisations including the Social Metrics Commission and Transport for London. Assessments of trade, construction, CPIH and avoidable mortality exhibited a much greater focus on the quality of the statistics than previous assessments. The systemic review model has been embedded through reviews of health, housing, migration and data linkage. And across all this work, OSR has emphasised the importance of moving beyond collecting numbers to provide insight to users.
13. Our recent work on strategy builds on these achievements. But it also recognises that OSR is a young entity and needs to develop in a number of ways. The OSR's profile among key opinion formers could be greater and the PACAC hearings illustrate a degree of confusion among even some quite knowledgeable stakeholders about the different roles within the Authority. Although OSR's work on data linkage, voluntary adoption and the uses of statistics increasingly disregards the artificial distinction between official statistics and other forms of statistical output, this has not been brought together into a clear public statement. The public casework, while increasingly rigorous, is not clearly articulated on our website or in our policies. And the lack of focus on the public good provided by statistics is a further weakness.
14. We seek to maintain the strengths of the existing work but develop OSR's work to address these issues.

### **Background 2: External changes**

15. The OSR strategy responds to a series of external changes<sup>1</sup>:
  - i. demand for insight through statistics and reuse of underlying data: Statistics should describe and reflect the nature of the economy and of society. There are important economic changes underway (Brexit, global trade and supply chains, digital economy) and society is also subject to a series of changes (ageing society, greater focus on local place and identity, and personal identity). Users want to understand these changes, and not just at the national level, but to have the capacity to re-use and link the underlying data to develop a better understanding of local, disaggregated patterns. And there is growing interest in the role of statistics and other data in

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<sup>1</sup>We held a round table in February with attendees from RSS (Hetan Shah), Sense about Science (Tracey Brown), Institute for Government, Statistics User Forum (Paul Allin), Royal Society, Joseph Rowntree Foundation and the Open Data Institute. They contributed to our analysis of external changes and endorsed the overall direction of this strategy.

- guiding people's choices, both actively and passively. All this means people need assurance that statistics can bear the weight that people put on them;
- ii. publication of wide range of data by Government: Government does not just publish aggregated information as official statistics. It also publishes research and analysis, open data, and management information;
  - iii. there is far greater recording of data about people, often passively (the quantified self), greater use of data in people's lives and in political discourse (i.e. numbers used to make political arguments). This is reflected in a range of data anxieties; concerns about data use and privacy; and debates about post truth – concern that misuse of statistics and fake news undermine confidence in data and statistics, leading to a risk that the bad data/fake news propagates more quickly and drives out the good; and
  - iv. although anxieties about post truth may be overdone – there is lots of evidence that people still value good statistics – these developments have led to a range of organisations taking an interest in strategy, governance and ethics around data (Centre for Data Ethics; DCMS; Turing; Open Data Institute; and many others – with ONS we are hosting an even in April bringing the range of organisations together). OSR's particular perspective is on the way statistics and other forms of data are used to provide insight and understanding in public debate.
16. There is a risk that a focus solely on the assessment of official statistics would lead to a declining relevance for OSR. The new strategy has therefore sought to respond to these changes. It does so through a stronger emphasis on how the statistics system provides insight to users; through a much more explicit emphasis on wider application of the Code's pillars; and through the emphasis on both protecting the role of statistics and in a better understanding of the public good.

**Ed Humpherson, Director General for Regulation, 20 March 2018**

## **UK STATISTICS AUTHORITY**

### ***Census Rehearsal Communications Campaign***

#### **Purpose**

1. At the November Authority Board, we set out the overall communications plan to support the Census from pre-rehearsal to outputs and legacy. This paper provides further detail on the communications campaign to support the 2019 Census rehearsal, including our approach to channels and audiences, development of campaign material, and our anticipation of, and response to, threats.

#### **Recommendations**

2. Members of the Board are asked to:
  - i. Note the development of work on the Census rehearsal communications campaign.

#### **Background**

3. The Census rehearsal will take place in four local authority areas – Carlisle, Ceredigion, Hackney and Tower Hamlets – on 13 October 2019. It will enable us to test the systems and processes ahead of the 2021 Census.
4. As household participation in the rehearsal is not mandatory, the communications campaign has an important role to encourage participation to enable a comprehensive test. In addition, we will evaluate the effectiveness of our communications plan to build on these channels, content and messages for the 2021 Census.

#### **Objectives and audiences**

5. Our communications objectives for the 2019 Census rehearsal are to:
  - i. execute an effective campaign to drive responses to ensure all services are tested effectively;
  - ii. test our messages, content and channels with, particularly, hard to reach/target action groups;
  - iii. test our communications operating model including incident response, to provide a strong evidence base for the 2021 Census campaign; and
  - iv. build awareness of the Census through rehearsal areas and beyond.
6. Our channel mix and timing of messages will be built on audience and media usage insight and will use a combination of paid (advertising through print, broadcast, outdoor, digital, paid search and sponsored social content), earned (advocates' channels, reposts, shares, offline and online media news, articles and reports), and owned (Census and ONS channels including website and social platforms) channels.
7. Owned media channels, such as the Census website and social media channels will be used to engage and retain the interest of our audiences and partners with relevant content. Paid activity will be used to raise awareness with target audiences and drive them to our owned channels. Earned activity will include positive coverage in mainstream and targeted media to take messages direct to our audiences.

#### **Engagement**

8. A significant part of the earned channels will be achieved through our engagement plan to improve responses, particularly among target action groups.
9. The engagement plan for the Census will be replicated at the local level for rehearsal and will focus on community engagement, local authority engagement and parliamentary engagement. The methods of engagement are summarised in four steps: awareness raising, explanation, consultation and partnerships.

10. We develop strategic partnerships with organisations in the community, voluntary sector and local authorities. We focus on building alliances based on shared interest to ensure communities are represented in the Census.
11. We are building partnerships with influential groups and individuals within rehearsal areas and nationally which will enable us to test our ability to engage with some of our target action groups including students, Chinese, Bangladeshi and Black African ethnic groups and adults aged over 80.
12. The partnership team maps stakeholders, designs content and sets the strategy and delivery plans. From June 2019, we will have Census Community Engagement officers employed to carry out local engagement within the four rehearsal areas.

### **Building on insight**

13. Extensive work has gone into building audience profiles to effectively target our communications. We are building on that work to test messages, particularly with target action group audiences and on broader issues to understand the potential impact.
14. We are drawing together data from public audiences (focus groups, surveys, mapping and social media tools), stakeholders (accounts feedback, media and social media monitoring), and the environment (horizon scanning, media monitoring, cross-government sharing of research).
15. This includes third-party research through the Government Communication Service (GCS) insight library such as the International Association for the Measurement and Evaluation of Communications (AMEC) resource centre, Ofcom research on the media sectors, the National Readership Survey, Google Trends and the Reuters Institute Digital News Report.
16. This enables communications to detect emerging issues and potential triggers, understand audience attitudes and behaviours, including any change driven by events, and effectiveness of our communications plans.
17. Specific work is currently taking place to better understand public barriers to complete the Census and shape our communications messages and channels. This includes six focus groups starting in March across rehearsal areas with at least eight participants in each to broadly reflect the make-up of the population. We are conducting a campaign benchmark survey in May on the perceptions of the ONS and the Census and to monitor public opinion of data confidentiality and privacy, including sentiment, ethics and reputation.

### **Campaign material**

18. The creative theme for the rehearsal campaign, and to build towards 2021, is 'We Count'. The delivery of this theme, through paid channels and for use in owned and earned channels, is currently being developed. Final versions to be produced from late spring.
19. The rehearsal will also include the primary schools programme 'Let's Count'. This is a creative education programme to drive awareness and engagement with the Census. The scheme provides resources to cover whole school activity from Early Years Foundation Stage / Foundation Phase to Key Stage 2, leading with maths but incorporating elements from other curriculum areas such as geography and history.
20. This will increase awareness, trust and understanding of the Census and enable us to reach a range of audiences, particularly harder to count, in a sustainable way, drive more quality completions and build a legacy for ONS. The 2019 is a pilot to test content and refine the programme to reach and onboard primary schools across England and Wales for 2021. As of 15 March, 70 schools have already signed up to take part in the rehearsal areas.

## Preparing for incidents

21. We have prepared an incident communications plan to provide an overarching strategy to the ONS when faced with any non-routine situation. It outlines in detail how the ONS classifies and responds to incidents, the response structure, roles and responsibilities and channels of communication.
22. This plan has been informed by the experience of previous Censuses and international organisations, as well as professional best practice including the Government Communication Service crisis communications model.
23. The most effective way to respond to incidents is to ensure the organisation is in the best possible state of readiness.
24. We have systems in place to monitor key issues across multi-media and social media channels and community group forums. An effective response will depend on the speed of issuing agreed lines, statements, fact sheets and answers to key questions. While these are in place, they will be continually checked against emerging themes.
25. The over-riding principle when it comes to making decisions and obtaining clearances during an incident of any level needs to be to respond swiftly and decisively. In serious or severe incidents, the Director of Communications or nominated deputy will outline the communications recommendations for urgent clearance by the National Statistician or Deputy National Statisticians, as appropriate.
26. To enable speed of messages, a central list of media, stakeholder and spokespeople contact is held by our 24/7 media relations office. We have identified and media trained spokespeople, and we are preparing biographies and stock images and videos to deploy quickly on social media. We are also identifying Welsh or other language speakers prevalent within rehearsal areas who can undertake interviews as required.
27. We are developing a stakeholder matrix for potential scenarios to identify key audiences to contact for any incident, to identify and engage third-party advocates to support the ONS, and to identify an external agency that can coordinate a mass stakeholder call as necessary.
28. Testing of our responses will be carried out ahead of the Census rehearsal and during the rehearsal itself and sentiment tracked through surveys and interactions with stakeholders. This will be aligned to Operational Readiness Testing in the summer of 2019 when everything relating to the user journey will be tested end to end. In addition, Communications officers are already taking part in quarterly testing of operational governance and the operational management service will be tested.
29. Should rapid public information or social media advertising be required in a severe incident, the Census and Data Collection Programme budget includes contingency spend on media buying.

## Responding to incidents

30. The communications response to any incident is coordinated by the Director of Communications or nominated deputy. During any non-routine incident, the ONS communications will abide by core principles:
  - i. **Early:** establish the facts and give out information as quickly as possible, subject to legal restrictions. Release information as and when relevant throughout to show leadership internally and externally;
  - ii. **On the public's side:** decisions on what information to release and when will be based on evidence and on what they need to know to reassure them;
  - iii. **Accurate:** accuracy is essential to credibility but does not necessarily mean detail;
  - iv. **Human yet purposeful:** we should present a human face and empathetic leadership to the public;

- v. **Clear:** we will communicate in plain English (and in other languages if required) without statistical/technical jargon; and
  - vi. **Transparent:** we will be open about the level of uncertainty/risk in an emerging incident. We will also be honest when we cannot divulge information.
31. Communications during an incident, whether Census focused or otherwise, must consider both the level of uncertainty at any given time, the risk to the security of the public's data and the potential for reputational damage to the ONS.
32. Incidents will be classified as follows:
- i. **Routine:** an incident that can be managed using standard operating procedures and does not require direct Senior Leadership Team involvement;
  - ii. **Serious:** a situation that requires a formalised and coordinated operational response; and
  - iii. **Severe:** a situation that requires strategic decisions and direction due to scale and severity.
33. The process of responding to incidents is in line with the GCS crisis communications model and details the steps from notification of incident through to coordination and reporting.
34. Time must be invested post incident to evaluate what worked and what did not work to inform future activity and to restore trust in the ONS brand where necessary, working on stakeholder relationships, holding regular briefings with journalists and undertaking regular surveys to monitor sentiment.

### **Conclusion**

35. The Census rehearsal communications campaign has already started with community engagement within the local authorities. Content and messages will be developed over the summer to support the campaign to drive behaviour up to and during October 2019.

**Owen Brace, Communications, Policy and Publishing Directorate, ONS, 21 March 2019**



**UK STATISTICS AUTHORITY**  
***Improvements to Income and Earnings Statistics***

**Purpose**

1. This paper outlines work to date on improving statistics on income and earnings in response to the Office for Statistics Regulation (OSR) review in 2015.

**Recommendations**

2. Members of the Authority Board are invited to:
  - i. note work done to date by ONS and colleagues in Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) to improve the quality and reporting of income and earnings data; and
  - ii. consider the key areas for further work, acknowledging that some areas cannot be progressed immediately.

**Background**

3. The overall landscape on income and earnings has been fragmented. ONS produces headline earnings data for employees via two main measures:
  - i. Average Weekly Earnings (AWE), sourced from the Monthly Wages and Salaries Survey, is a monthly snapshot of the overall measure of the labour market (more timely); and
  - ii. the Annual Survey of Hours and Earnings (ASHE) is an annual survey that provides greater detail. It is used to measure the gender pay gap and high and low earnings, and is the key dataset for setting the National Living/Minimum Wage (more in-depth).
4. Income data is collected for households, not individuals. ONS produces estimates of household income from the Living Cost and Food survey (Living costs). The survey also collects detailed spending data, so can show how indirect taxes such as VAT and in-kind services provided by the state affect people's income, and provide the most complete measures of household income. It also provides the most timely estimates of household income, particularly through the 'nowcast' estimates introduced in recent years.
5. ONS, to comply with the EU Statistics on Income and Living Conditions (EU-SILC) regulation, has also produced income statistics using the Survey on Living Conditions (Living conditions). This source provides detailed income estimates on a longitudinal basis, allowing assessments of movement in and out of poverty.
6. DWP produces income data estimates using the Family Resources Survey (Family resources). The survey was a DWP response to ONS' Living costs providing insufficient detail for policy making, and too-small sample sizes. Historically, its larger sample size has provided more precise estimates and more detailed breakdowns of incomes for different groups. It is the most widely-used source by stakeholders.
7. DWP also produces longitudinal income analysis based on Understanding Society data to comply with the Welfare Reform and Work Act 2016.

**Income and earnings review**

8. In 2015, OSR's predecessor reviewed the available statistics and data on income and earnings. Broadly, it concluded that:
  - i. there was a lack of coherence between different data sources and publications, and the difference between measures was not properly explained. There were potential gaps in the data, such as timely information on the self-employed; and
  - ii. the data and statistics were not easily accessible, with various statistics spread across different websites, with little linkage.

9. ONS decided to address these, and more detailed recommendations, as part of regular developments rather than establishing a separate programme of work. The recommendations from, and progress against, the original report are at **Annex A**.

## **Discussion**

### Progress against the 2015 OSR review

10. In March 2018, OSR wrote to ONS after reviewing its progress against the 2015 recommendations. It identified three points to address to improve the value of income and earnings statistics:
  - i. making analysis more available and easier to navigate;
  - ii. a strategy for addressing key questions on income and earnings statistics; and
  - iii. engaging with users about developments.
11. A workshop on 4 June 2018 produced:
  - i. a timetable of income and earnings publications, published on the ONS website and is updated each month;
  - ii. an updated guide to sources and development of a suite of frequently asked questions (the initial questions are now available with a further set due by the end of March 2019); and
  - iii. a new quarterly cross-department group to discuss cross-cutting analysis and developments, due to meet again in May 2019.

### Other ONS improvements

12. ONS has combined the Living costs and Living conditions surveys to create the integrated Household Financial Survey (HFS), with a common set of variables for income statistics. The first HFS datasets will be available later in 2019, reducing the number of income data sources and providing coherence across the two sets of statistics previously produced from these sources (ONS's Effects of Taxes & Benefits and EU-SILC). The substantial increase in sample size will mean more precise estimates for local areas and various population sub-groups.
13. Bringing the Wealth and Assets Survey into the HFS will provide an even larger sample for income statistics, and allow the joint analysis of income, consumption and wealth. This is a key demand from UK and international users who want a more complete picture of households' finances.
14. In September 2017, ONS published an article explaining and comparing ASHE and AWE, specifically addressing an OSR recommendation. In 2018, the refurbished Earnings and working hours taxonomy page on the ONS website introduced the difference between the two, and improved accessibility to relevant datasets, timeseries and publications for each.
15. Since 2016, ASHE has been published in time for inclusion in setting National Minimum Wage rates. In October 2018 there were two further significant changes: a move to employee earnings-based themes in bulletins, and (b) more focus on accessibility and linkage. The theme-based bulletins improved access to relevant information, particularly the new Gender Pay Gap bulletin. User visits to both the Earnings and working hours page and the theme-based ASHE publications have increased substantially, and viewing patterns (e.g. time spent, device accessed from) have also improved.
16. ONS and DWP are working on a detailed comparison of the production and derivation of key income components in their respective sources, meaning users will be able to compare the two and potentially pool data. DWP has also undertaken other substantial work to improve the timeliness, accessibility and usability of its statistics.

17. The ONS Administrative Data Census project has published experimental analysis showing how data from the tax and benefits system could be used to estimate gross and net income. This work has been commended by OSR.

### Continuing work

18. We continue to work to address remaining challenges. These underpin the work programme outlined at the conclusion of this paper.

19. **Differing income statistics, published in different places.** There are currently two separate publications with data on household incomes: one produced by ONS based on Living costs, and a second produced by DWP. Living cost-based statistics are timelier, provide a longer time series and also allow a more complete assessment of the redistribution of income through taxes and benefits. Family resources produced by DWP, with its larger sample size, allowed for more precise estimates, greater disaggregation for different population subgroups, and a broader set of income components. The integrated Household Financial Survey will reduce the relative advantages of the Family resources survey. However, the Family resources survey is key for DWP policy making and continues to be required.

20. **The self-employment earnings data gap.** The best data, based on the family resources survey, is available around 12 months after the end of the year in question. While ONS has investigated alternative data sources, none have proved suitable or comprehensive. HMRC's 'making tax digital' project is a potential future data source of data as it seeks to move all businesses, including the self-employed, to online filing closer to real time. This is due to roll out due over the coming years but the full scope of online returns has yet to be finalised. Universal Credit data, at least on its own, will only ever include a minority of the UK self-employed population and so is limited in its use.

21. **Access to HMRC and DWP data.** HMRC has published analysis of earnings data using PAYE data, which showed very good correlation between the PAYE data and existing earnings measures. DWP and HMRC have been sharing administrative data, including income, for many years and an expansion on this is under consideration. The Board will be aware of the challenges that we have faced in securing enhanced data access for ONS. However, declining response rates mean that without access to administrative data, the quality of our income and earnings statistics will deteriorate over time.

### Future ambitions

22. Despite progress more work is required to meet user needs. For example, we are not giving people enough information on the more nuanced picture of wages, for example, on typical wage rises. Many people focus on Average Weekly Earnings as a measure of household incomes, which it is not. We are not giving people an understanding of how the incomes, wealth and expenditure patterns of households are linked. There is also duplication between the FRS and HFS. Addressing these challenges effectively and in a manner that our users accept will be necessary before our measurement of income and earnings can be considered successful.

### **Conclusion**

23. While significant challenges remain, there has been substantial progress towards addressing the matters raised by OSR. We will continue to seek increased access to data and better accessibility and functionality for users. In particular we will focus on improving income-related surveys, specifically;

- i. move towards integration of household income statistics and consolidation of data sources across government initially by harmonising definitions and sampling methods;
- ii. explore how enhanced household finance surveys could improve the coverage of self-employed income; and

- iii. continue to pursue administrative data to further improve income and earnings statistics.

**Jonathan Athow, Economic Statistics Group, 18 March 2019**

**List of Annexes**

**Annex A Findings and recommendations from 2015 Review of Income and Earnings Statistics**

**Annex B Relevant links for Income and Earnings statistics**

## Annex A - Findings and recommendations from 2015 Review of Income and Earnings Statistics

A copy of the full report is available [here](#).

As noted, ONS decided to address these, and more detailed recommendations, as part of regular developments rather than establishing a separate programme of work. Key improvements across the recommendations are:

- Publication of a guide to sources of income and earnings statistics that is regularly updated. This is being supplemented by a set of frequently asked questions.
- Setting up a cross-departmental group to co-ordinate analysis and developments;
- Improving the timeliness and format of publications (ASHE and HBAI) and introducing nowcasts of household income from ONS;
- Demonstrating the potential of administrative data via the ONS Administrative Data Census work on estimating income.

	Findings	Recommendation
<b>Answering the questions posed by an increasingly complex and diverse society (paras 3.5 to 3.11)</b>		
1	Meeting user needs is not always about collecting more data – users point to the need for a more coherent and consistent approach across official statistics, more creative application of what already exists and providing better access and information to help users to help themselves. This is in keeping with the Statistics Authority’s Strategy.	<u>We recommend</u> that statisticians should consider whether the statistical outputs they are producing are keeping pace with a changing society and help to tell the story, engaging with users to inform their reflections. They also need to consider how to supplement average measures with other indicators of income and earnings ( <b>para 3.11</b> ).
2	Official statistics need to be presented in such a way that they respond to greater user demand to help to answer questions about an increasingly complex and diverse society. Statistical producers need to consider whether their statistics are as helpful as they can be and demonstrate a desire to enhance their usefulness ( <b>para. 3.11</b> ).	<b>Recommendation 1</b>
<b>Meeting growing demand for statistics about the self-employed (paras 3.12 to 3.20)</b>		
3	There is a clear user need for more robust and timely statistics on income relating to self-employment. Without this, the picture of the labour market is only partial, and does not reflect the extent of the changing composition of the employment in the UK. We recognise the challenges associated with addressing this gap, and that the solution is not straightforward ( <b>para. 3.20</b> ).	<u>We recommend</u> that the GSS, under the leadership of the National Statistician, continues to engage with this debate and works to develop a swift solution to address this gap in official statistics. Users are keen to contribute to these discussions that could be convened in the form of an expert group ( <b>para. 3.20</b> ). <b>Recommendation 2</b>

<b>Examining distributions and the extremes of income and earnings (paras 3.21 to 3.24)</b>		
4	Users highlighted difficulties in carrying out analysis at the upper and lower end of the income distribution. There is a user need for statistical publications and supporting guidance to present more information on distributions.	
<b>Recognising coherence between different sources and explaining differences (paras 3.25 to 3.34)</b>		
5	Official statistics include only limited explanation of the differences between different but related statistics. This can present issues of inconsistency as well as incoherence, which can have an adverse impact on user confidence in the statistics. The most striking example is the differences between ASHE and AWE, which are not explained. The Authority considers this to be a serious shortcoming (para. 3.31).	<u>We recommend</u> that ONS develops and publishes its analysis plan as a matter of priority, setting out its intention in 2015 and beyond to answer key questions posed by users in relation to ASHE and AWE; we would encourage ONS to seek appropriate channels to communicate this plan, to ensure that key users outside government are sufficiently engaged and have an opportunity to shape this development in the future (para. 3.32). <b>Recommendation 3</b>
6	There is a lack of producer guidance that provides an explanation of reasons for differences between statistical outputs that measure similar aspects of income and earnings (para. 3.34).	<u>We recommend</u> that statistical producers do more to explain and quantify how methodological differences between related statistics contribute to the different results, and present advice on whether one measure is preferable to another for a particular use (para. 3.34). <b>Recommendation 4</b>
<b>Presenting better and more relevant income and earnings statistics for households and individuals (paras 3.35 to 3.37)</b>		
7	Users have different needs in relation to the types of preferred measures presented in statistics on income and earnings. Some users have a strong interest in measures at a household level, in order to explore topical household level themes. Other users are more concerned about measures relating to individuals.	
<b>Communication of detailed assumptions and methodology (paras 3.38 to 3.40)</b>		
8	User feedback throughout this Review has highlighted the need for statistical producers to ensure that any supporting guidance on the assumptions and methodology underpinning these statistics goes beyond simply listing the processes involved in deriving the statistics (para. 3.40).	<u>We recommend</u> that statistical producers review their guidance to ensure that it: <ul style="list-style-type: none"> <li>a. presents the relative strengths and limitations of the different official income and earnings statistics, particularly in relation to their use</li> <li>b. presents sufficient detail of the assumptions that underpin the statistics, suitable for expert users, and on the underlying data sources</li> </ul>

		<p>c. summarises the key assumptions, to aid accessibility to less-expert users (<b>para. 3.40</b>).</p> <p><b>Recommendation 5</b></p>
<p><b>Adding value by bringing official statistics together (para. 3.41)</b></p>		
9	<p>Government statisticians should add value by bringing official statistics on income and earnings together to present a more coherent picture of trends in the UK. This could also draw on related analysis and research from outside government. There is also a user need for access to more thematic publications that include analysis of areas of emerging interest (<b>para. 3.41</b>).</p>	
<p><b>Identifying the overall picture (paras 3.42 to 3.47)</b></p>		
10	<p>There is a lack of information that identifies the overall picture in trends in income and earnings, that sets out what official statistics are available, when they are published, and if they complement one another (<b>para. 3.42</b>).</p>	<p><u>We recommend</u> that statistical producers consider how best to provide users with more themed analyses in a way that remains current and sustainable; we suggest that this could be addressed by the publication of an annual compendium, supplemented by a regular series of analysis and articles. We consider that these analyses should present statistics for different groups and levels and help users to answer key policy questions (<b>para. 3.47</b>).</p> <p><b>Recommendation 6</b></p>
11	<p>ONS has been working in collaboration with other statistical producers including DWP, BIS and HM Treasury to publish a one-off analysis article that will explore trends in income and earnings. Despite initial plans to publish this analysis in early 2015, this work has been impacted by a lack of resources in several departments. There is hope to re-energise this work, with ONS possibly taking a leadership role. (<b>para. 3.44</b>).</p>	
12	<p>ONS is keen to explore the value of estimates of household disposable income (HHDI), produced as part of the National Accounts, to develop more-timely estimates of income at an economy-wide level. (<b>para. 3.45</b>).</p>	<p><u>We recommend</u> that ONS explores the value of developing existing estimates of household disposable income in providing more timely estimates of income (<b>para. 3.45</b>).</p> <p><b>Recommendation 7</b></p>
<p><b>Identifying which statistics best meet different needs (paras 3.48 to 3.52)</b></p>		
13	<p>Users identified a clear need for better information about the relative strengths and limitations of the different official statistics on income and earnings, and in particular, guidance about what statistics would best serve different user needs, and the relationships between statistics (<b>para. 3.49</b>).</p>	<p><u>We recommend</u> that future versions of the guide to official income and earnings statistics should: include guidance on which source(s) are most appropriate for different uses, including a contrast of sources that attempt to measure the same things, in order to optimise their appropriate use by different users. This guide should also remain current and should be publicised through a range of fora (<b>para. 3.51</b>).</p> <p><b>Recommendation 8</b></p>
14	<p>There is scope for statistical producers to review the structure of data sources and statistics as part of their longer-term plans (<b>para. 3.50</b>).</p>	

15	ONS has been working in collaboration with other statistical producers including DWP and HMRC to produce a guide to official income and earnings statistics. This guide was published on ONS's website on 30 January 2015 ( <b>para. 3.51</b> ).	
16	Producers of official statistics on income and earnings should continue to work together in order to add value to and to enhance the utility of their income and earnings statistics, for users within and outside government. Previous reviews have identified a lot of these issues, but an ongoing commitment to address the issues has not been established in a way that is sustainable ( <b>para. 3.52</b> ).	<p><u>We recommend</u> that the National Statistician takes a leadership role in establishing and supporting a network of statistical producers and users to develop momentum for this cross-working; and to develop a continuous engagement strategy that involves a range of statistical producers and users (<b>para. 3.52</b>).</p> <p><b>Recommendation 9</b></p>
<b>Navigating the range of official statistics (paras 4.3 to 4.6)</b>		
17	ONS's website continues to present barriers to accessibility. The Authority supports ONS's decision to focus its efforts on developing a new website. This will require some patience from users but we are encouraged by the way that ONS is systematically engaging users ( <b>para. 4.4</b> ).	<p><u>We recommend</u> that the National Statistician facilitates solutions to the problems with the GOV.UK Statistics Release Calendar, and considers commissioning his Good Practice Team to issue guidance on how to communicate statistics through GOV.UK to best effect (<b>para. 4.6</b>).</p>
18	Users find it difficult to navigate their way across the various official websites and data portals in order to identify and locate available income and earnings statistics. The Authority considers that the new Statistics Release Calendar on GOV.UK has the potential, in lieu of a single portal, to help users to find their way but users have found the transition of many official statistics to GOV.UK has reduced their accessibility ( <b>para. 4.6</b> ).	<p><b>Recommendation 10</b></p>
<b>Facilitating timely access to official statistics (paras 4.7 to 4.19)</b>		
19	Timely access to official statistics and the datasets that underpin them is critical to better informed decisions. Despite some limited improvements, there have been some slippages in timetables in recent years, for a number of reasons. There is also scope for producers to minimise the lag from publishing the headline statistics to publishing detailed datasets and regional and local statistics.	<p><u>We recommend</u> that DWP: shares with users the outcomes of its FRS process review and what it has done to optimise HBAI and FRS schedules (<b>para. 4.11</b>); provides better information for users about the cross-sectional EU-SILC data that Eurostat publishes for the UK and its strengths, limitations and possible applications (<b>para. 4.11</b>); and reviews its arrangements for making datasets available through UKDS in a more timely manner (<b>para. 4.15</b>).</p> <p><b>Recommendation 11</b></p>



		<p><u>We consider</u> that it will be important for HMRC to keep users of its Survey of Personal Income statistics regularly apprised of its strategic plans for exploiting Real-Time Information to improve official statistics, including their timeliness (<b>para. 4.12</b>).</p> <p><u>We consider</u> that ONS might consider its scope for prioritising investment in ASHE systems within the resource it has available to it (<b>para. 4.13</b>).</p>
<b>Promoting flexibility of access and supporting re-use (paras 4.20 to 4.24)</b>		
20	<p>Users very much appreciate the availability of interrogation tools like StatXplore and NOMIS and want statistical producers to make more datasets available through those services – the potential for the re-use of data is significantly reduced where the statistical producer only publishes large numbers of tables. Users are frustrated by a lack of information and good sign-posting about what data are available and want access to long and consistent time series supported by guidance on how to deal with discontinuities in time series as a result of changes in methodology.</p>	<p><u>We consider</u> that good signposting should be a minimum requirement and improvements should represent a quick win for statistical producers. <u>We recommend</u> that ONS, DWP and HMRC communicate better with users about what data are available, and where, including time series; and that ONS works with users to make ASHE data available in a more helpful form (<b>para. 4.23</b>).</p> <p><b>Recommendation 12</b></p>
<b>Facilitating equality and ease of access (paras 4.25 to 4.34)</b>		
21	<p>When users know what datasets are available, and where to access them from, those who can obtain licences for accessing detailed datasets are able to realise substantial benefits for their research. However, many users experience difficulties accessing those datasets, to the point that some have been discouraged from applying altogether.</p>	<p><u>We recommend</u> that ONS, DWP and HMRC work with the UKDS, VML and the HMRC Datalab to provide guidance tailored to researchers outside academic organisations that clearly explains the criteria, process and timings for granting licences, including dispelling any myths, and that they make this guidance available alongside the statistics (<b>para. 4.31</b>).</p> <p><b>Recommendation 13</b></p>
22	<p>The National Statistician has recently commissioned a full review of the Approved Researcher criteria and process used to grant lawful access. This review will be informed by a full, public, consultation exercise which will launch in February 2015. This review is expected to conclude with the National Statistician agreeing updated criteria and processes in June 2015, which will clarify who may access ONS microdata (<b>para. 4.34</b>).</p>	<p><u>We recommend</u> that HMRC and DWP reflect on the findings of this review, and how far its findings could be implemented within their different legal contexts (<b>para. 4.34</b>).</p> <p><b>Recommendation 14</b></p>
<b>Engaging users to improve official income and earnings statistics (paras 4.35 to 4.36)</b>		
23	<p>Good user engagement represents a key element of supporting the interpretation and</p>	<p><u>We consider</u> that statistical producers could approach engagement more creatively, and</p>

	re-use of the statistics. Members of existing user groups gave positive reports although mostly they tended to work within government departments. Using a wider range of mechanisms would allow producers to reach a more diverse range of users ( <b>para. 4.35</b> ).	to better effect. The users we spoke with had an appetite to work constructively with statisticians to improve official statistics ( <b>para. 4.36</b> ).
<b><i>Supporting the regional and local agenda (paras 4.37 to 4.40)</i></b>		
24	Users told us that a perceived lack of reliable and timely statistics at a local level, such as by local authority, is a limitation of statistics on income and earnings. We recognise that there are some good examples of income and earnings statistics that are published at a local level ( <b>para. 4.37</b> ).	<u>We consider</u> that addressing the demand for regional and local analysis need not necessarily require new data collections. Instead, producers could go a long way towards addressing the demand by making users more aware of what is already available, especially the rich resource of the Survey of Personal Incomes ( <b>para. 4.40</b> ).

## **UK STATISTICS AUTHORITY**

### ***EU Exit Programme update***

#### **Purpose**

1. This paper updates the Board on activities to prepare the UK statistical system for EU Exit.

#### **Timing**

2. At the time of writing, plans for the UK's withdrawal from the EU continue to evolve. Updates on the latest developments will be provided at the Authority Board meeting.

#### **Recommendations**

3. Members of the Authority Board are invited to:
  - i. note that the EU Exit statutory instrument (SI) for UK statistics is now made;
  - ii. consider the preparations made to support the UK statistical system, ahead of a potential no-deal EU Exit; and
  - iii. note that an exercise is underway to identify and manage all engagement with the European Statistical System (ESS) in April/May.

#### **Discussion**

4. Since the Board last received an update on the EU Exit Programme on 31 January, work has continued to prepare for all exit scenarios.
5. At its July meeting, the Board agreed to the preparation of an SI to revoke EU laws relating to statistics that would no longer function as required following the UK's departure from the EU. The SI has now been assessed by parliamentary scrutiny committees, who agreed it could proceed under negative procedures (i.e. it did not need to be debated in Parliament). The SI was made law when the Minister for the Constitution signed it on 6 March and will come into force, should there be a no-deal exit.
6. On 27 February, a workshop was held to take stock of work that had been undertaken to prepare the UK statistical system for potential 'day one' impacts of a no-deal EU Exit. The workshop focused on statistics involving cross-border movements of either goods or people, i.e. trade, prices, and migration, as these had been identified as most at-risk in the event of a no-deal.
  - i. For trade statistics, extensive work had been undertaken to mitigate risks to data collection by HMRC. If data collection was disrupted, significant work was ongoing to utilise alternative data sources to quality assure statistical outputs and provide early indicators of economic movements;
  - ii. for migration statistics, extensive work had been undertaken to mitigate risks to data collection via the International Passenger Survey. Further work is required to identify alternative data sources to quality assure statistical outputs and provide early indicators of movement of people;
  - iii. ONS was prepared to respond to requests from other government departments to provide analytical staff to support urgent, short-term EU Exit work; and
  - iv. for price statistics, mitigation plans (successfully tested for historic events) were in place to manage risks to data collection.
7. To manage the risks to statistics through a no-deal EU Exit, two cross-government working groups (on economic and migration statistics, respectively) have been established to explore alternative data sources, share information and support coherent communications about any impacts of exit.

8. In addition to the cross-government working groups, the Programme has regularly consulted with departments and bodies across the UK statistical system, gathering detailed information to inform all aspects of exit planning.
9. In the event of no-deal, ONS will continue to calculate the UK National Accounts and public finance statistics in accordance with Eurostat guidance, including how to classify organisations and transactions. We will ensure the National Statistician has access to the appropriate advice and expertise to assure classification decisions.
10. In the event of no-deal, proactive communications are planned, including an external statement from the National Statistician. Statistical releases will be clear about the reference period, and causality of any impacts. The ONS Media Relations Office is initiating a process to ensure this is happening effectively.
11. Since the Board was last updated on EU Exit, the National Statistician attended the UK's final ESS Committee meeting ahead of 29 March. Given uncertainty remains about our attendance at future ESS meetings, staff from across the Government Statistical Service (GSS) have been asked to flag all potential engagement with the ESS in April and May. Guidance will be shared so that the UK statistical system operates in a way that sends a consistent message.

**Robert Bumpstead, Chief of Staff, 18 March 2019.**