

UK STATISTICS AUTHORITY

Minutes Thursday 26 September 2019 Civic Suite, Park Plaza Hotel, Cardiff

Present

UK Statistics Authority

Sir David Norgrove (Chair)
Ms Sian Jones (Deputy Chair)
Mr Jonathan Athow
Ms Helen Boaden
Professor Sir Ian Diamond
Professor David Hand
Professor Jonathan Haskel
Mr Ed Humpherson
Ms Nora Nanayakkara
Professor Sir Adrian Smith
Professor Anne Trefethen

Also in attendance

Mr Nick Bateson
Mr Iain Bell
Mr Owen Brace
Mr Rob Bumpstead
Ms Frankie Kay
Mr Robert Kent-Smith (for item 10)
Mr Glyn Jones (for item 9)
Mr Darren Morgan (for item 10)
Ms Nicola Tyson-Payne (for item 8)
Ms Amy Williams (Secretariat)
Ms Sally-Ann Jones (Secretariat)

Apologies

None

1. Apologies

1.1 There were no apologies received.

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 30 July 2019, were agreed.

4. Report from the Authority Chair

4.1 The Chair reported on his recent activity since the Board last met, noting:

- i. his letter to the Scottish Finance Secretary, Mr Derek Mackay, regarding HM Treasury's (HMT) description of the Scottish block grant adjustment process and his letter to the Scottish Parliament's Economy Committee to support their ongoing efforts to reduce pre-release access to Scottish Government statistics;
- ii. the decision of the Regulation Committee to de-designate migration statistics, with Mr Humpherson and Mr Bell exchanging letters ahead of the Migration Statistics Quarterly Release on 22 August;
- iii. discussions with the Chancellor regarding the Authority's 4 September 2019 announcement on the Retail Prices Index (RPI);
- iv. his visit to Statistics Botswana, which provided interesting discussion;
- v. his meeting with the Cabinet Secretary at which the two had discussed the Census Bill, the use of data to support policy work across Whitehall and the development of the National Data Strategy;
- vi. the well attended and well received staff talks in the London, Titchfield and Newport offices;
- vii. his talk to the United Nations Economic Commission for Europe task force on the value of official statistics. Mr Humpherson, Mr Athow and the previous National Statistician, John Pullinger, also spoke; and
- viii. an event at the Senedd in Cardiff attended by the Board where Mr Humpherson and Mr Bell spoke to Assembly Members, colleagues from the Welsh Assembly and external stakeholders on the role of the Office for Statistics Regulation (OSR) and the Census for England and Wales 2021.

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 18 September 2019. Committee members considered;

- i. an update on the financial position;
- ii. a security deep dive;
- iii. the Audit and Risk Assurance Committee's effectiveness review, which showed good progress in the role of the committee and how it was viewed in the organisation; and
- iv. an update from the National Audit Office on the end of the current auditor's contract, with KPMG confirmed as the new audit partner.

5.2 The Committee had also discussed the first iteration of the strategic risk document, noting the importance in strengthening the link between risk assurance and strategy development.

6. Report from the Director General for Regulation [SA(19)41]

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

6.2 Mr Humpherson discussed the de-designation of migration statistics, advising that the joint handling between the OSR and ONS had gone well. Both parties considered what the National Statistic designation means to users and how this is can be deployed in the most effective way.

- 6.3 Following errors in HM Revenue and Customs (HMRC) corporation tax, data, OSR had been asked to undertake an independent review with a view to publishing findings in January 2020.
- 6.4 Mr Athow also reported that the error in HMRC's corporation tax receipts data, had implications for ONS public finance statistics. On 24 September, ONS had corrected these issues.
- 6.5 Mr Humpherson drew attention to the decision by National Records Scotland to remove pre-release access to its statistics, which OSR had supported, and the event held at the Senedd on 25 September, both of which demonstrated parliamentary engagement.
- 6.6 The Chair also noted that he had received a letter from Ministers responsible for tourism in Scotland, Wales, and the UK expressing concern about the UK's tourism statistics. OSR were looking into the issues raised.

7. Report from the Chief Executive [SA(19)42]

- 7.1 Mr Athow provided an overview of activity and issues for August and September, and reported on several key topics.
- 7.2 As the Board has discussed, migration statistics had been de-designated to an experimental statistic. Board members discussed the language of 'experimental statistics', and how best communicate on the quality of experimental statistics.
- 7.3 Board members heard that following the response to the Lord Economic Affairs Committee (LEAC) there would be another appearance before LEAC on 12 November.
- 7.4 The Census Bill has not completed its passage ahead of the prorogation of Parliament. Mr Athow advised there was enough time remaining to deliver the Census Bill and other legislation in future sessions.
- 7.5 Progress had been made on data access for the Department for Work and Pensions (DWP) and HMRC, using an approach to personal data encryption that had been developed. Mr Athow advised Board members that they were working towards receiving data from DWP and HMRC.
- 7.6 Board members discussed the impact of pre-election restrictions on the Authority and OSR. Mr Humpherson advised that the Authority's function of highlighting misuse carries on during an election period. The importance of having the right data to support and facilitate proper debate on campaign issues was also discussed.

8. Census update [SA(19)43]

- 8.1 Mr Bell and Ms Tyson-Payne introduced a paper which provided updates on the Census rehearsal, including:
 - i. the assessment made of operational readiness;
 - ii. the legislative position;
 - iii. and the changing risks for the programme now the rehearsal is live;
 - iv. the communications and incident responses as live operations for the Rehearsal are initiated; and
 - v. reflections on lessons to be learned from the New Zealand Census 2018.
- 8.2 Mr Bell reported that the Census rehearsal was live and the first online responses had been received. He advised that the plan was for all required testing to be covered by the rehearsal.
- 8.3 Board members discussed the Scottish Census, and how the Authority was engaging with National Records Scotland to support them. The Authority was not responsible for the production of Census data in Scotland but held responsibilities for the coherence of data across the wider UK statistical system.

8.4 On the New Zealand Census, Mr Bell advised that the New Zealand dress rehearsal was not a full rehearsal. In contrast, ONS was running a full collection and processing rehearsal in order to learn from any issues. He also noted the lack of response from Maori and Pacific Island communities, and that the ONS needed to be more ambitious with its community engagement and partnerships.

9. Report from the Welsh Chief Statistician

9.1 Mr Glyn Jones, Welsh Chief Statistician, joined Board members for a working lunch to discuss engagement between the Authority and Welsh Government. Mr Jones reported on:

- i. the 'Well-being of Wales 2017-18' report that had just been published, which looked at social trends;
- ii. examples of good engagement between Welsh Government and the Authority, such as the publication of Welsh-specific Gross Domestic Product;
- iii. the support for the Authority in its aims regarding data sharing; and
- iv. the importance of providing context for Wales in statistics that were produced for England and Wales.

9.2 Board members thanked Mr Jones for his presentation and for the work of his team in developing official statistics across Wales.

10. Blue Book [SA(19)44]

10.1 Mr Morgan and Mr Kent-Smith introduced a paper which provided an update on Blue Book 2019, the lessons learned and plans for delivering double deflation over the coming years.

10.2 Mr Kent-Smith noted timeliness of the decision on double deflation. Receiving data had taken longer than originally anticipated, as had the analysis of the data, hence reducing the available time.

10.3 A programme of work was proposed to improve the congruence of microdata sources used in compiling GDP, continuation of deflator development programme, building on existing deflator metadata catalogue work and a review of the level of detail used to compile GDP.

10.4 The Board noted that the work delivered to date was a large achievement for the Economic Statistics team.

11. ONS Portfolio [SA(19)45]

11.1 Mr Bateson provided a view of the current Authority Board portfolio of change and key portfolio level risks as requested at the July Authority Board.

11.2 The meeting heard about the work underway to bring various statistical and legacy IT transformation projects together, in a similar way to transformation programmes in Population and Public Policy and Economic Statistics.

11.3 The intended programme would address corporate risks including data acquisition, administrative data and the Data Access Platform.

11.4 Board members agreed with the proposal, and asked Mr Bateson to take the plan forward.

12. Risk [SA(19)46]

12.1 Mr Bateson provided a summary of recent discussions with Board Members on the Authority's strategic risks.

12.2 The Board noted that the development of strategic risks would be an iterative process. They also discussed the different level of risks, the way that risks were expressed (in the context of the Authority, or in the context of the UK statistical system) and the potential impact of trust in statistics.

12.3 Ms Nanayakkara, as Chair of the Audit and Risk Assurance Committee, advised that the committee would refine the proposals and look at the framework before a further Board discussion and scheduling of regular reporting.

12.4 Mr Bateson gave thanks to Dr Julia Mundy for her assistance in facilitating the conversations that provided the basis of the report.

13. Any other business

13.1 The Chair noted that it would be Mr Athow's last meeting serving as interim National Statistician and passed on the gratitude of the Board for covering the role.

13.2 The Authority Board would meet next on Thursday 31 October 2019 at 09:15 in London.

UK STATISTICS AUTHORITY

Agenda

26 September 2019, 10:30 to 15:00

Civic Suite, Park Plaza Hotel, Cardiff

Chair: Sir David Norgrove

Apologies:

Attendees: Mr Glyn Jones, Mr Rob Kent-Smith (for item 7), Mr Darren Morgan (for item 7), Ms Nicola Tyson-Payne (for item 6)

10:30 – 11:00: Non-Executive Session

1 11:00-11:05 5 mins	Minutes and matters arising from previous meetings <ul style="list-style-type: none">• Declarations of interest	Meeting of 30 July 2019
2 11:05-11:35 30 mins	Report from the Authority Chair	Oral report Sir David Norgrove
3 11:35-11:45 10 mins	Report from Committee Chair <ul style="list-style-type: none">• Audit and Risk Assurance Committee	Oral report Ms Nora Nanayakkara
4 11:45-12:10 25 mins	Report from the Director-General for Regulation	SA(19)41 Mr Ed Humpherson
5 12:10-12:30 20 mins	Report from the Chief Executive	SA(19)42 Mr Jonathan Athow
6 12:30-13:00 30 mins	Census update	SA(19)43 Mr Iain Bell Ms Nicola Tyson-Payne

13:00-14:00: Lunch

Working lunch – talk from Glyn Jones, Welsh Chief Statistician

7 14:00-14:20 20 mins	Blue Book	SA(19)44 Mr Darren Morgan Mr Rob Kent-Smith
8 14:20-14:35 15 mins	ONS portfolio	SA(19)45 Mr Nick Bateson
9 14:35-14:55 20 mins	Risk	SA(19)46 Mr Nick Bateson
10 14:55-15:00 5 mins	Any other business	

Next meeting: 31 October 2019, London, 09:15 to 14:00

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. **PACAC report:** We provided OSR's response as part of the main Authority response in early September. We highlighted a number of recommendations which we aim to implement in the near term. On the two more substantial recommendations (OSR moving to separate location; OSR growing significantly in size) we are developing options that we will share with the Regulation Committee in October, and the Board in November.
- ii. **OSR vision:** On 25 June we launched the Regulatory vision document. Generally, the feedback continues to be very positive. We will finalise the gathering of feedback in mid-October and seek final Regulation Committee approval in October. We aim to confirm the final version of the vision in time for the OSR conference which is taking place on 6 November. The vision is a precursor to the next Authority strategy. It sets out the purpose of OSR. It does not set strategic priorities or strategic plans for the next four years – but clarity on our purpose provides a firm basis on which to respond to and implement the Authority's next strategy.
- iii. **Parliamentary interactions:** One of the PACAC recommendations concerned increasing our contact with Parliament. While this was focused on the Westminster Parliament, we have interpreted this as relating to all the UK's parliaments. Over the summer, we have increased our interaction with Parliaments, including submitting evidence to the Treasury Select Committee on regional imbalances (we will provide oral evidence when the House of Commons returns); submitting evidence to the Scottish Parliament's health committee on primary care; writing to the Dunlop review of devolution; writing to the International Trade committee on foreign direct investment; and contacting Committees in Wales, Scotland and England the context of our ongoing skills review. The day before this Board meeting, I will present alongside Sir David and Iain Bell at the Welsh Assembly; and we plan to write to relevant parliamentary committees with our assessments of the Census operations for England and Wales, Scotland and Northern Ireland.
- iv. **Migration statistics:** The ONS engaged with us openly and professionally about the quality of migration statistics. This meant that the shift to experimental status (and the removal of the National Statistics designation) was handled effectively, with users appearing to understand the nature of the change and the confidence they should have in the data. Iain and I have discussed lessons learned with Prof Trefethen, and also bilaterally. The lessons include how ONS and OSR interact on significant decisions like this, and also how to ensure that we promote and value the National Statistics designation sufficiently. This latter point will feed into our current review of the National Statistics designation.
- v. **HMRC:** In the light of errors in statistics on corporation tax receipts, HMRC have asked OSR to conduct an independent review of how their statistical function addresses the quality of the administrative data they use.

- vi. **Census:** We have finalised our preliminary assessment report of the census programmes in England and Wales, Scotland and Northern Ireland, and aim to publish it in early October. There is a separate Board paper on the UK census.
 - vii. **Scottish fiscal mechanisms:** The arrangements for funding public expenditure in Scotland are complex, and this means they can be prone to misrepresentation. This is what happened in late July – an unclear HMT statement on the mechanism for adjustment the grant given to the Scottish Government led to highly misleading statements by then Treasury Ministers. OSR wrote at official level and Sir David wrote at Ministerial level. The Scottish Government welcomed this intervention, which demonstrates the Authority’s even-handedness.
 - viii. **New head of Edinburgh site:** We welcomed Gail Rankin as our new head of the Edinburgh site. She joins us from Edinburgh City Council and her arrival signals our continued commitment to a significant presence in Scotland.
 - ix. **External engagements:** I spoke at a UCL event on voter access to information during elections, and before the Board meets am due to speak at the Welsh Assembly (see above); at an international event on valuing official statistics; and at an event organised by the thinktank DotEveryone on social care data.
4. The main challenge surrounds implementing the PACAC report’s recommendations.

Ed Humpherson, Director General for Regulation, 19 September 2019

Regulatory Activities September 2019

Economy	Business, Trade and International Development	Children, Education and skills	Housing, Planning and Local Services	Crime and Security
<ul style="list-style-type: none"> • Compliance Checks: Checks of ONS's Capital Stocks statistics; Communication of Blue Book Developments in 2019; and Business Enterprise Research & Development Statistics have been completed. Compliance check of ONS's Business Demography statistics due to conclude in the next few weeks. A further Compliance Check on the coherence between BRES employment growth statistics in Cambridge and Peterborough with those from Cambridge Ahead (CA) is paused pending further engagement between ONS and CA in October. • Assessment: HM Treasury submitted its actions from our Assessment of its PESA: Country and Regional Analysis statistics due for consideration at Regulation Committee on 17 October. • Parliamentary Affairs: Submission made to Treasury Select Committee inquiry into Regional Imbalances; letter to House of Commons International Trade Committee about Foreign Direct Investment statistics; outreach to Lord Dunlop's Review of UK Government Union Capability with a view of discussing the importance of statistics in assessing the capability of the UK Government Union. • Stakeholder engagement: Presentation of the findings of the Systemic Review on the Public Value of Devolved Public Finance statistics to Scottish Government Exchequer staff and National Accounts statisticians. 	<ul style="list-style-type: none"> • Casework: Teaching Excellence and Student Outcomes Framework – Currently assessing the Independent Review's initial findings and awaiting the final report publication; Department for Education data sharing – Finalising letter to respond to Defend Digital Me's latest concerns; Schools Estates Statistics in Scotland – Investigating concerns over the use of statistics. • Compliance Checks: Work continues on Scottish School Leaver Attainment and Initial Destinations Statistics and on Further Education and Skills in England; letters will be drafted shortly. • Systemic Review: Stakeholder engagement on the Skills review focused on Scotland, Wales and Northern Ireland is ongoing and will complete in early October. Analysis of findings is underway. 	<ul style="list-style-type: none"> • Systemic reviews: ONS National Statistical blog to publicise the release of the 'Across UK Homelessness Analysis' article and the GSS Harmonisation work on the homelessness conceptual framework, on 17 September. This has meant that the 'Across UK Affordable Housing Analysis' article has been postponed from end September to October. • Compliance Checks: Continuing Compliance Check of Scottish Government's Housing Statistics Quarterly Update and Housing Statistics Annual Key Trends, with a findings meeting planned with Scottish Government for mid-October. • Casework: Reviewing MHCLG's evaluation of Rough Sleeping Initiative in relation to previous casework regarding comparability of MHCLG rough sleeping statistics. • Domain activity – Engagement with Homeless Link and attended their LA webinars on choosing rough sleeping count methods; Attending 1-day conference on 26 September: 'Homes and Health: How Housing and the NHS Can Work Together'. 	<ul style="list-style-type: none"> • Systemic Reviews: Use of Statistics in Public Discourse report is being redrafted after feedback from the July Regulation Committee, with the aim of publishing by the end of September. • Compliance Check: We are meeting the producer team to discuss our findings from the Compliance Check of the Northern Ireland Safer Communities Survey in October. We aim to publish at the end of October. • Assessments: Assessment of Northern Ireland Motoring Offences statistics is underway. We are speaking to users and aim to have a report ready for the December Regulation Committee. • Domain activity: Starting engagement with Julia Edwards at Ministry of Defence regarding possible work on the Security and Defence elements of the domain. 	
Labour Market and Welfare	Population and Society	Health and Social Care	Agriculture, Energy and Environment	Travel, transport and tourism

<ul style="list-style-type: none"> • Compliance Checks: Check of Civil Service statistics with Cabinet Office planned to start in September. • Assessment: User engagement well underway for ONS Labour Market Statistics Assessment – we have held Round Table events in London, Wales and Scotland, and we are planning one for Northern Ireland. 	<ul style="list-style-type: none"> • Assessment: Draft Census assessment report being updated following comments from producer bodies, with a view to sharing a draft with Regulation Committee soon, aiming to publish ahead of the census rehearsals. • Designation judgement: published letter on designation of Migration Statistics late-August. 	<ul style="list-style-type: none"> • Systemic Reviews: Stakeholder engagement for the Mental Health Review is underway. Social Care Review: reports covering Scotland and England for publication in the autumn; Round Table in London scheduled for 28 October. • Domain regulatory work: Discussion with NHS England and NHS Digital about public value of GP statistics. • Published: A submission to the Scottish Parliament Health and Sport Committee’s Inquiry into the Future of Primary Care in Scotland outlining gaps in the current statistics. 	<ul style="list-style-type: none"> • Published: Assessment Report on Statistics on Air Quality and Emissions of Air Pollutants • Assessment: Kick-off meeting with Scottish Environment Protection Agency arranged for 9 October, for assessment of Scottish Waste Statistics • Systemic Review: Selected sets of statistics for Defra Group user engagement systemic reviews and currently arranging workshops with statistics teams (to be held mid-October) • Compliance Check: Arranged meeting with Natural England on 11 October to discuss quality of Monitor of Engagement with the Natural Environment statistics. 	<ul style="list-style-type: none"> • Assessment: Working on report for Transport Focus’ National Rail Passenger Survey. • Compliance Checks: Continuing check of ORR’s rail statistics (9 publications). Quality assurance and producer follow-up meetings in October; Started Compliance Check of Overseas Travel and Tourism statistics following letter from UK, Welsh and Scottish tourism ministers.
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Chief Executive's Report, September 2019**Purpose**

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

Review of recent activities

2. August was not quiet. While focus and attention was on some of the high-profile political issues, ONS had a busy summer. Important developments in recent weeks include the following:
 - i. On migration ONS announced improvements to its estimates, in particular on changes to EU and non-EU net migration on 22 August. This was accompanied by changing the badge on the Migration Statistics Quarterly Report from National Statistics to Experimental Statistics. Overall, this landed as well as could be expected, and outreach to key stakeholders and opinion formers helped people to better understand what we were doing. Nonetheless, this will require ongoing, careful explanation as we continue to improve migration statistics.
 - ii. On the RPI, there was a coordinated response with HM Treasury to the Lords Economic Affairs Committee on 4 September. In part due to other events, this attracted less attention than might have been expected, and landed well with key stakeholders. The next steps are a further appearance before the Lords Committee on 12 November, and a consultation in early 2020. We can expect this to continue as an important issue, especially as the consultation may focus minds. The next step is to develop the consultation document and an approach to consultation.
 - iii. Looking at senior staffing, we welcomed back Emma Rourke from maternity leave, who is now job-sharing with Liz McKeown in the role as Director of Public Policy Analysis.
 - iv. The Census Bill was not passed in this session of Parliament, with changes to parliamentary business and the prorogation of Parliament meaning there was insufficient time. We have worked through the issues and there remains time to deliver the Census Bill and other legislation in time for the Census preparations. Nonetheless, this is a fluid situation: we need to stay on top of developments and ensure that Cabinet Office remain well-briefed on our requirements. This also has consequences for Northern Ireland who are also dependent on our legislative progress.
 - v. Also, on the theme of Census the rehearsal preparations continued, with some strong working across the office to ensure we are as ready as possible. Publicity launched over the weekend of 14 September. Elsewhere there was a report published on the 2018 New Zealand Census, which has raised some important issues that we need to consider.
 - vi. The Spending Round 2019 set budgets for 2020-21, including a settlement for the Authority. We received sufficient funding to allow our transformation to continue, but living within our spending limits is not without challenge. We are now moving to the internal allocation of that funding.
 - vii. Good progress has been made on data access for both the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) using the approach to the encryption of personal data developed earlier in the summer. The latest positive developments came following wider engagement with the senior management of both Departments. We are now working towards a date of 14 October, with confidence DWP will make this date, but some uncertainty about HMRC.

- viii. Preparations continue for the UK's exit from the EU, and in particular how ONS (and the wider GSS) will respond. The immediate risks to our statistics are now well understood, and we continue to work through the mitigations.
- ix. A successful series of staff talks were led by the Chair of the Authority and the incoming National Statistician in the first week of September. These were very well received by staff across all three sites.
- x. We also hosted a joint cross-government Heads of Profession for Statistics and ONS SCS event. This is the third annual event of its type, and we discussed developing the analytical community, working effectively in a changing political environment, and Professor Sir Ian Diamond spoke about how he hopes to develop a strategy for the system.
- xi. On 6 September, we published GDP growth for the countries and regions of the UK for the first time. This was an important milestone in our work to support the devolution agenda, and puts the UK at the forefront of sub-national statistics. This was all facilitated by the use of VAT data from HMRC.
- xii. We responded to the PACAC report on the governance of statistics on 9 September.
- xiii. On 24 September, HMRC will announce a correction to their corporation tax receipts data, which has a knock on effect to our public finance statistics. This led to an upward revision to net borrowing (the 'deficit') of nearly £4 billion in 2017-18 and around £2.5 billion in 2018-19.
- xiv. The International Development team in ONS celebrated the 3 year anniversary of its since it was first established. ONS now have projects supporting statistics all over Africa as well as in Jordan.

Future look

3. In October, we will be closely following the progress of Census rehearsal as it is live, while continuing with our regular outputs. The GSS annual conference will also take place in Edinburgh, bringing together statisticians from across the system.

Jonathan Athow, 19 September 2019

Census Rehearsal – Update

Purpose

1. The Census Rehearsal will be live by the time the Board meets. As agreed at the July Board meeting, we are providing updates through the regular Friday e-mails on progress for live operations. This paper focuses on:
 - i. the assessment made of our readiness and the additional risk we carried into live following this;
 - ii. an update on our legislative position and the emerging risks for the programme;
 - iii. an update on the communications and incident responses as we initiate live operations for the Rehearsal; and
 - iv. reflections on lessons to be learned from the New Zealand Census 2018.

Recommendations

2. Members of the Board are asked to note that:
 - i. an enormous amount has been achieved over the summer from internal teams and suppliers. The collection rehearsal digital build was completed on 11 September and testing will be complete by 20 September. A final “go live” decision was made on 10 September by the Programme Board. Currently we are on track to meet the additional conditional check points set by the Board, ready for services to be fully live on 23 September. Letters will be landing in households from 25 September;
 - ii. in deciding to go live we had assessed that:
 - a. the scope of the rehearsal remains unchanged. All Census Rehearsal Critical Success Factors will be covered by the rehearsal;
 - b. that further testing was required before go-live to further reduce risk with checkpoints with the Senior Responsible Officer (SRO);
 - c. the Census Coverage Survey digital build will be delivered in time for its go-live but developed in parallel to the main rehearsal being live. This was accepted in July as the best route to maximising the meaningfulness of the rehearsal; and
 - d. this means the risk profile is slightly higher than ideal as we may need to adjust some business processes over the coming weeks. The operational teams felt this was manageable. A separate decision recommendation was made by the operations managers without senior management present to enable a full and frank assessment.
 - iii. we are in live operations, with daily meetings assessment information management, media and incident management. The campaign will be driven by the “Everyone Counts” creative in TV (video on demand) advertisements with supporting roadside posters, bus sides, radio, press and digital advertising;
 - iv. the risk profile of the programme is changing as we move in to live operations and as we assess the unprecedented current political circumstances;
 - v. the lessons learned from the New Zealand 2018 Census and how we plan to incorporate them into our plans for main census. But that we also need to ensure we maintain focus on our own risk landscape too.

Programme Progress and Collection Rehearsal Update

3. The Programme remains at Amber. Good progress has been made on the digital development for the collection rehearsal, but challenges continue around available time for remaining development for Census.

4. A number of services have gone live over the summer to support the early field staff who are now in post. Services are now live to support the bulk recruitment of the c430 field staff including establishing field welcome and training events. The Census campaign website went live on 23 August (see www.census.gov.uk and www.census.gov.uk/ni). Initial contact letters and questionnaire print requests have been sent to suppliers.
5. However, we have experienced challenges over the summer. The issues with testing were highlighted in our operational readiness assessment. This combined with build continuing beyond the due date of 1 August meant the testing window for rehearsal has been compressed.
6. As promised, we have taken the July Operational Readiness Review (ORR) and subsequent internal audit to the September Audit and Risk Assurance Committee. The ORR describes the assurance and audit work undertaken to ensure the impact of the reduced test window has been minimised; and the additional risks we are carrying and the mitigations put in place to manage them. These are primarily around the potential to need to resolve technical issues in live, which will consume time of developers who continue to work on the digital build.
7. Considering the build of services, the ORR and audit findings, the Programme Board met on 10 September and agreed to a “go” decision to proceed with the Rehearsal. The board reviewed the evidence presented and concluded:
 - i. the scope of the rehearsal remains unchanged. All Census Rehearsal Critical Success Factors will be tested by the rehearsal;
 - ii. that further testing is required before go-live to further reduce risk with checkpoints with the SRO;
 - iii. the Census Coverage Survey digital build will be delivered in time for its go-live but developed in parallel to the main rehearsal being live. This had been accepted in July as the best route to maximising the meaningfulness of the rehearsal; and
 - iv. that this means the risk profile is slightly higher than ideal as we may need to adjust some business processes over the coming weeks. The operational teams feel this was manageable.
8. At time of report writing all subsequent check points have passed and we are on track for a final successful check on 20 September. This will mean that services are stood up in full on 23 September, with letters arriving in Households from 25 September.
9. With services now live, operational governance is now in full swing. Daily and weekly meetings are taking place to allow for reporting, media assessment and incident management. This will facilitate effective monitoring and control of the field operation. As promised, the Board will be kept notified of operational progress weekly through a Friday email (commencing Friday 20 September).
10. Rehearsal evaluation plans continue in parallel to delivery to ensure maximum learning can be gained across all parts of delivery. We will be incorporating lessons and experiences into the plans for the late 2019 and 2020 development.
11. Other work on Census within the programme continues. Detailed planning for 2020 is underway which will include the creation of a meaningful critical path from which progress can be tracked. The build for the processing rehearsal remains on track to commence on 3 February.
12. We are working closely across the Office to ensure the ongoing build for main Census can be appropriately resourced. We are also working to ensure the rest of the programme remains on track. The latest reporting highlights that all Business Statistics Transformation milestones are currently reporting red following the office wide reprioritisation of resources. We have now concluded a reprofiling exercise and it has been proposed that these milestones are replaced by updated targets to move surveys

on line. This is currently in progress. The Opinion Mixed Mode Survey is on track to launch in November. Market engagement has commenced with a supplier day on 19 September to test the market appetite to support us evaluating our potential new survey vehicle, Integrated Population and Characteristics Survey (IPACS), next year. The remaining social survey milestones are on track.

Legislative progress and emerging risks

13. The *Census (Return Particulars and Removal of Penalties) Bill* has not been taken forward due to the lack of time when the House of Commons returned from summer recess on 3 September. With the prorogation of Parliament and the possibility of potentially an election later this year, we are preparing for a number of scenarios. The work so far has shown that there remains time to achieve the necessary legislation and that the key to this will be our ability to deploy quickly should opportunities arise. We are working with the Cabinet Office to ensure we have access to these opportunities.
14. The court has now given permission for the case to be argued following the Sikh Federation's Pre-Action Protocol for a Judicial Review on the lack of inclusion of an ethnicity tick-box. This will take place on the first available sitting day after 4 November.
15. The programme risk profile is currently changing as we move into an operational phase. Additionally, the unprecedented political circumstances of recent weeks have negatively impacted on our legislative slots. This leaves the timetable for legislation and the requirements for a March 2021 Census at risk as well as the threat of a General Election impacting on the rehearsal follow up. All risks are being closely managed.

Communications and Incident Response

16. The announcement in January of the rehearsal areas was well reported by local news outlets. The Census Rehearsal marketing campaign went live on 15 September in the four rehearsal areas. A vigorous media campaign will be running in support of the rehearsal itself. This includes a 30 second advertisement on TV (video on demand) and in cinemas supported by roadside posters, bus sides, radio, press and digital advertising. All feature the 'Everyone Counts' creative, which performed well in audience research.
17. The campaign is running in three phases: 'Census rehearsal is coming', 'Census is happening now' and 'It's not too late to take part' finishing on 26 October. The [campaign website](#) is available in English and Welsh, Census social channels have gone live on Facebook and Twitter and over 350 communications materials in multiple languages have been produced in support of the marketing campaign.
18. The campaign commences on 20 September with a sponsored cycle ride between each of the four areas in support of local charities by Iain Bell. Later in the campaign, case studies will be published to show how past Census data has benefitted each area. ONS spokespeople will be offered for interview and coverage will be closely monitored for emerging issues.
19. Independent pre- and post-campaign tracking research with a representative sample of the populations in each of the four rehearsal areas will measure the overall impact of the campaign. Pre-campaign research showed that awareness of the Census is high at 91 per cent. Agreement that ONS can be trusted to keep data secure has increased to 60 per cent, a 9-percentage point increase since January 2018. Despite being billed as a 'digital first' Census, 23 per cent of the sample declared their intention to complete a paper questionnaire. Media monitoring, including social media, is being undertaken daily to measure the impact of the campaign throughout its duration.
20. We are working closely with Operations colleagues to manage incidents effectively using communications where appropriate. We have already experienced one social media incident with claims on a closed Facebook group about bogus callers impersonating field officers. We informed the police and posted advice and information about the rehearsal

to clarify the situation. As a direct result we are now changing our operational approach and developing advice for the general public about ways to identify genuine Census field staff. We will share this via relevant stakeholders and on our own channels. This demonstrates the value of the rehearsal and that very quickly, even before letters have reached households, the teams have been able to rapidly update business processes to improve our services.

New Zealand Census 2018 – Lessons Learned

21. Following the publication of the Report of the Independent Review of New Zealand's 2018 Census¹ we have considered the lessons learned and recommendations in relation to the risks to delivery of the Census in 2021. There are 6 key themes that are relevant for our risk profile.
- i. testing and rehearsal;
 - ii. critical path;
 - iii. statistical, methodological and IT design alongside operations;
 - iv. governance, leadership and risk management;
 - v. contingency budget; and
 - vi. community engagement.
22. There are lessons we can learn and a number of actions we can take to assist in mitigating our own risks. So far actions taken include:
- i. initial full assessment of our testing approach, including input into the high-level planning for main Census to significantly increase the test window prior to March 2021;
 - ii. scheduling of briefing sessions for the SRO and senior leaders to raise awareness of statistical methodology to assist with improved methodological alignment on operational decisions; and
 - iii. refinement of rehearsal evaluation planning to ensure the most effective use of lessons learned can be applied as quickly as possible.
23. However, our focus must be on running an effective rehearsal and ensuring we improve our approach to testing, transition management and operational readiness and learning our own lessons from our rehearsal. We also have unique circumstances that need to be overlaid in particular relating to our legislative position.

Iain Bell, Deputy National Statistician for Population and Public Policy
Nicola Tyson-Payne, Interim Director of Transformation, Population and Public Policy,
18 September 2019

¹ <https://www.stats.govt.nz/reports/report-of-the-independent-review-of-new-zealands-2018-census>

Blue Book 2019 and beyond

Purpose

1. To update the Authority Board on Blue Book 2019, the lessons learned as we near delivery, and the plans for fully delivering ‘double deflation’ over the coming years.

Recommendations

2. Members of the Board are invited to:
 - i. note of the position of Blue Book 19 and the initial lessons learned exercise; and
 - ii. agree the proposed approach for delivering double deflation through future Blue Books

Background

3. In October 2018 we announced ambitious [plans](#) to introduce a new framework for the estimation of GDP. Since then, we developed and implemented over 50 new systems, new methods, a new business process and introduced new data sources that give us unparalleled understanding of business activity. Within this new framework we planned to implement double deflation – a key recommendation of the Bean review which addresses a long-held assumption in the National Accounts that the prices of goods and services *sold* by companies moves in the same way as the inputs of goods and services companies *buy*.
4. In April 2019, we updated the Authority Board that we had successfully implemented new systems, methods and data sources, but that the one of the biggest remaining challenges was checking that the resulting data were plausible and explicable.
5. In June 2019, we took the decision that while we could use double deflation to inform headline GDP, we did not have confidence in the industry estimates derived via double deflation and so they were descope from Blue Book 2019.
6. We have since published a range of articles outlining indicative estimates of the remaining large package of improvements, we will still introduce in Blue Book 2019.

Discussion

7. Blue Book 2019 reflected an ambitious programme to transform the UK National Accounts using new data, methods and systems and we delivered an unprecedented volume of change – the vast proportion of which will be successfully implemented with the publication of the Quarterly National Accounts on 30 September, and the Blue Book itself at the end of October.
8. As part of our detailed analysis plan, when we looked at the results from double deflated industry level GDP, they appeared implausible. We took remedial action to put more weight on some of our tried and tested methods and data sources and had a series of Go/No Go decision points, which had been hard baked in to our plan. Our overarching principle was that given the importance of the introduction of double deflation we wanted to exhaust all options before reaching a final decision. However, ultimately, we did not have sufficient confidence in the quality of the new industry level estimates to publish them, so we took the decision to descope and use double deflation to inform GDP estimates, rather than as the underpinning basis.
9. On taking the decision to descope double deflated industry level GDP estimates, we immediately commissioned a ‘lessons learned’ review, which was used to inform a re-shaped double deflation project and to develop a road map for future Blue Books . This work revealed that while we had successfully ‘built the machine’ by implementing a vast

suite of new methods and systems, our new transparent systems revealed that the underlying quality of some of the 'inputs to the machine' - our source data - were poorer than we previously understood and are insufficient to support double deflation.

10. We therefore propose immediately initiating a programme of work which will include:
 - i. work to improve congruence of the microdata sources used in compiling GDP; to help ensure we are putting the right weight on data sources, and are reflecting their quality;
 - ii. continuation of our deflator development programme with more alignment to the needs of double deflation, which includes the introduction of new deflators.
 - iii. building on our existing deflator metadata catalogue work by undertaking an evaluation of our deflator set pre 2008, a period which proved particularly challenging to reconcile in Blue Book 2019; and
 - iv. a review of the level of detail we use to compile GDP.
11. Our Blue Book development plan for 2020, though, is currently focused on legally mandated compliance with European regulations on Gross National Income (GNI). The relative values of GNI across EU Member States determine the major share of budget contributions to the EU, so is a priority for us, and Government. This focus means our potential to deliver integrated double deflated industry estimates within the National Accounts in Blue Book 2020 is limited.
12. Therefore, our plan is to produce experimental double deflated industry estimates alongside Blue Book 2020 before full integration into the National Accounts in Blue Book 2021. The scope of these estimates in terms of length of time series and industry detail will be determined by our research into the extent to which our existing data estate supports the production of quality estimates and the development of new methods and sources. The work programme, though, will continue to be a core part of the National Accounts development programme into future years as we continue to improve quality.

Conclusions

13. We remain on track to deliver major transformation to the National Accounts through Blue Book 2019, but this will fall short of full implementation of double deflation. We have put in place a programme of work to build on the work already completed and lessons learned from Blue Book 2019, which will inform how best to fully implement double deflation and improve the underlying quality of the National Accounts.

Darren Morgan, Director - Economic Statistics Development

Rob Kent-Smith, Deputy Director - National Accounts Coordination

16 September 2019

Current Authority project portfolio and risks

Purpose

1. This paper provides the Board with an accurate view of the current Authority portfolio of change and key portfolio level risks as requested at the July Authority Board.

Recommendations

2. Members of the Authority Board are invited to note:
 - i. the current scope of the Portfolio and the description of the constituent elements;
 - ii. work underway to develop a third programme to manage data capability deliveries, the ONS data service, legacy and the Data Access Platform; and
 - iii. key portfolio risks.

Background

3. Portfolio Management team manage the investment portfolio on behalf of the organisation's Portfolio and Investment Committee. The current change portfolio was established at February 2016, with allocation of SR15 funding and management arrangements confirmed in time for Financial Year 2016/17. This initially consisted of two transformation programmes: the Economic Statistics Transformation Programme (ESTP) and the Census and Data Collection Transformation Programme (CDCTP), both accountable to HM Treasury and the Infrastructure and Projects Authority (IPA).
4. In autumn 2018, and in readiness for the SR19 planning rounds, Portfolio and Investment Committee endorsed a change disclosure exercise, facilitated by Portfolio Management that aimed to identify and assess the entire landscape of change activity. Initial analysis was presented in March 2019 that confirmed the characteristics i.e. governance arrangements; benefits management; cost; value and complexity of a further 11 project initiatives that were being managed outside the established ONS portfolio governance framework.

Discussion

5. This work also highlighted that while the deliverables of these strategic initiatives were subject to assurance via the process of monitoring progress against the Authority's Business Plan², there was a low maturity of benefits management being applied and the funding model changes agreed as part of SR15 had led to challenges around the tracking of expenditure.
6. Subsequent risk assessment, assurance activities, Internal Audit recommendations and discussions at the Audit and Risk Assurance Committee indicated that the Authority needed to build its capability to manage across the organisation to continue to successfully deliver its transformation programmes, the projects within them and programme of statistical outputs.
7. To address difficulties identified in demonstrating progress across statistical transformation, we plan to expand the scope of the portfolio beyond the two HM Treasury approved transformation programmes to incorporate a programme covering Data Capability and the core processes of statistical transformation.

² <https://www.statisticsauthority.gov.uk/wp-content/uploads/2019/06/UKSA-Business-Plan-April-2019-to-March-2022.pdf>

8. This programme will bring together a range of current high-level corporate risks under a single programme governance arrangement, notably addressing:³
 - i. public Confidence in ONS holding and managing data;
 - ii. effective deployment of the DEA (at least some elements);
 - iii. effective use of administrative data;
 - iv. data access platform usage timeline;
 - v. data Acquisition; and
 - vi. supporting transformational change.
9. To facilitate this work and develop our approach to overseeing the portfolio we are also reinvigorating the Authority's approach to Portfolio Management, supported by the appointment of a new Deputy Director for Planning and Portfolio Management, who will start in early November. The work to establish the scope of this programme and the appropriate governance across the revised portfolio is underway.
10. This will include a more focussed Senior Responsible Officer (SRO) level portfolio discussion of the progress, risks and issues across ESTP, CDCTP and the Data Capability programme; re-enforcing the role of SROs for these programmes and the wider portfolio; improving assurance and reporting and developing our project oversight and approvals processes for the upcoming 2020 Spending Review.

Conclusion

11. This paper sets out the current shape of the Authority's programme and project portfolio; the risks covered by these projects; and the plans to develop a third strategic programme, covering the core elements of statistical transformation and technology legacy, upon which both CDCTP and ESTP rely.
12. The Authority Board's views are sought on the nature and extent of their engagement with the portfolio and the constituent elements, outside of their current engagement with CDCTP and ESTP.

Leon Strange, Portfolio Management

Nick Bateson, Director of Finance, Planning and Performance

19 September 2019

³ These are the current list of high level risks – rather than the proposed future strategic risks that are set out in a separate paper for the Authority Board.

Risk Identification Report

Purpose

1. Based on individual discussions, this paper summarises Board members' input on the risks that pose the greatest threat to the UK Statistics Authority's strategic ambitions, whether by forcing a change in strategy or preventing the achievement of its current strategy.
2. This paper aims to support the Authority Board's discussions on strategic risk with the aim of identifying the risks that it wants to own.

Recommendations

3. The Authority Board is invited to:
 - i. discuss potential strategic risks; and
 - ii. agree that the risks owned by the Authority Board will be presented as a standing item at future meetings. To facilitate this the Corporate Risk function will define how the strategic risks map to the current profile and will ensure cohesive governance of the framework. This will include risk scoring and identifying the key mitigations and mitigation owners that will support management and oversight of the board level strategic risks.

Discussion

4. The Authority has been developing its risk management approach over the last year, with the introduction of a revised risk management policy, system and approach to engagement with the business. This has been overseen and supported by the Audit and Risk Assurance Committee.
5. From an external perspective, recent failures at several large organisations have led to increased scrutiny of board-level ownership and management of risks, not just by regulators such as the Financial Reporting Council, but also by key stakeholders. In addition, the Government Finance Function has recently relaunched its Orange Book: Management of Risk, which aims to improve the risk management culture across the public sector - focussing on the role of boards in overseeing strategic risk.
6. To address this for the Authority, we discussed potential risks with each Authority Board member. Interviews lasted up to one hour and were conducted from July to September. Board members were asked the same broad questions, but the scope of each discussion was guided by the specific interests and information provided by the individual member.
7. Following the conclusion of these conversations, risks of a similar nature have been brought together. Frequencies for each type of risk have not been provided in order to facilitate an open discussion about the relative importance of risks and identification of the major risks.
8. Through the various risk sessions, the Board members demonstrated a large degree of alignment and raised broadly the same range of concerns and risks.

Conclusion

1. The Authority Board will be asked to discuss and agree a set of new strategic risks, before they are confirmed on our Risk Management system. The executive team will progress oversight and mitigations of the remaining risks outside of Board ownership or those that the Board decides to delegate.

2. Following agreement of the Board level risks and the development of mitigations, we will produce a standing paper for the Board to enable the Board to track progress against the identified risks. Future work will include refreshing the Authority's risk appetite in the new financial year, once ownership and reporting matures.

Jim Busher, Head of Corporate Risk

Nick Bateson, Director of Finance Planning and Performance

19 September 2019