



UK Statistics
Authority

UK Statistics Authority

ANNUAL REPORT 2009/10



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Annual Report presented to the Scottish Parliament pursuant to section 27(2) of the *Statistics and Registration Service Act 2007*

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UKSA/2010/02

Note: UK Statistics Authority referred to as 'the Statistics Board' in the *Statistics and Registration Service Act 2007*

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More information about statistical releases can be found at: www.statistics.gov.uk

Further information about the Office for National Statistics can be found at: www.ons.gov.uk

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Foreword



**UK Statistics
Authority**

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007* and reports directly to Parliament and the devolved legislatures.

The Authority's statutory objective is to promote and safeguard the production and publication of official statistics that serve the public good.



**Government
Statistical Service**

The Government Statistical Service (GSS) is headed by the National Statistician and is spread across more than 30 government departments, agencies and the devolved administrations. There are more than 7,000 staff working in official statistics, of whom just over 1,400 are members of the professional Statistician Group.



**Office for
National Statistics**

The Office for National Statistics (ONS) is the Executive Office of the UK Statistics Authority and is the UK's single largest statistical producer. It is also the internationally recognised National Statistical Institute of the UK.



Sir Michael Scholar KCB

Chapter 1

Chair's Report and About the UK Statistics Authority

1.1 – CHAIR'S REPORT

The UK Statistics Authority was established in April 2008 and this is our second Annual Report. In last year's report, I outlined some aspects of the substantial agenda of work that faced both the Authority itself and the wider statistical service in the UK. In 2009/10, the Statistics Authority consolidated its role, structures and staffing, and made good progress with our work programme. It also dealt with a number of matters, some politically charged, that had not figured specifically on our agenda. In the course of the past year the forward programme of work has developed and expanded and I believe that we will see further evolution in the role of the Authority in the year ahead.

The Statistics Authority has three distinct roles: statutory responsibility for the Office for National Statistics (ONS); safeguarding the production and publication of all UK official statistics by over 200 official bodies; and intervention in relation to the use of official statistics in public debate where we judge that an intervention is necessary in order to preserve the integrity or trustworthiness of official statistics. The last of these three roles is less demanding than the other two in terms of workload but it is the one that attracts interest and media headlines.

The Authority's aim is to ensure that official statistics which are produced: are those most needed by the wide range of users of statistics, to guide their actions and their understanding of British society

and the British economy; that high and consistent professional standards are maintained in the production of statistics; and that the figures are well-explained, including their strengths and weaknesses as statistics, so that they are meaningful and helpful to those who need them.

The National Statistician, Jil Matheson, is leading work with her colleagues across the Government Statistical Service (GSS) in systematic planning to ensure that, within the resources available, the best possible suite of official statistics is produced in the longer term. This is a big challenge when there are so many organisations and Government Ministers involved in those decisions. The cross-departmental committee responsible for improving migration statistics is one example where strong arrangements have been made for such planning. The extensive consultation and planning for the 2011 Census is another.

Our work in 2009/10 has done much to reassure both ourselves and outside experts that high professional standards are being maintained in the production of official statistics. We hope that we will be involved in the Government's budget reduction process, to ensure as far as possible the integrity of the statistical system. We are concerned about the relatively thin spread of statistical expertise across a vast range of outputs.

The quality of the texts accompanying and explaining official statistics is an area to which the Authority is giving increasing attention. Such texts are usually clear and impartial but we have concluded that it would often be in the public interest for there to be a fuller and clearer commentary. We intend to pursue this matter. We also actively support and encourage the National Statistician to improve the comparability of statistics

across the constituent countries of the UK, and internationally.

In these difficult financial and economic times there may be some who think statistical work is a backroom function of lesser consequence. The Statistics Authority, however, firmly believes that the need for good quality official statistics does not diminish in hard times. More than ever, Parliament and the public need statistical information to plan policy and services and to monitor the effect of scarcer resources. The Statistics Authority will continue to make the case for official statistics. While we recognise that no area of public expenditure can be immune from the need to make savings, official statistics must, in our view, be recognised as an essential tool for efficiency and accountability.

Future policy for UK official statistics

Ahead of the General Election the Authority wrote publicly to the leaders of the major political parties setting out what it believes the future priorities should be for official statistics. First, we would like to see the independence and impartiality of statisticians working in government departments further strengthened and entrenched. We would like to see formal recognition of the role of departmental Heads of Profession for statistics reporting to the National Statistician on all professional matters. Departments should also, in our view, be required to secure the agreement of the National Statistician before deciding on the performance, grading, placement and numbers of departmental statistical staff.

Second, we see a role for the Statistics Authority in the setting of departmental budgets for statistical work. Ministers should be required to consult the Authority before making any significant changes to their expenditure on statistics,

or to their statistical outputs, and to publish their statistical budgets. We suggested, alternatively, that statistical budgets be determined by a central process managed by HM Treasury or the Cabinet Office, acting on advice from the Statistics Authority.

Third, we suggested that the new Government should give an undertaking that the statutory arrangements governing pre-release access to official statistics should, in future, follow the advice of the Statistics Authority. We set out our recommendations in a detailed published report in March 2010. In particular we suggested that the 24-hour limit should be brought down to three hours, that the arrangements should be consistent across the UK, and that there should be a voluntary period of restraint of one hour between the release of statistics and political statements about them.

Reporting to Parliament and the devolved legislatures

The statutory objective of the UK Statistics Authority is to promote and safeguard the production and publication of official statistics that serve the public good. The Authority is an independent organisation, at arm's length from government, and we report directly to the UK Parliament and the devolved legislatures on the exercise of our functions. In practice, in 2009/10, we reported to and were scrutinised by the House of Commons Public Administration Select Committee (PASC). We have continued to build relations this year with other Select Committees and the devolved legislatures. We look forward to opportunities to discuss our work and our agenda with them in the future.

Intervention and influence

The Authority had cause to make a number of interventions during the year where we believed that official statistics

were being used in a way that threatened their integrity or trustworthiness. These interventions concerned a number of issues, including the presentation of official statistics relating to the difference in pay for men and women, violent crime, and migration. The Chair of PASC wrote to the Authority in March 2010 supporting the Authority's actions and commenting that our interventions had been independent, proportionate and principled.

In last year's Annual Report, I noted that we sometimes face the criticism that by making interventions and investigating concerns we are undermining rather than enhancing public trust in the statistical service. We continue to take the view, however, that it is vital to examine and report frankly and impartially to Parliament and the public, and that our investigations are, or will in time be, seen as evidence that the UK statistical system is strong and open, and able to make changes where this is in the public interest.

Public trust in official statistics remains a great concern. Research continues to suggest that trust in official statistics is lower in the UK than in many other countries. Such trust is undoubtedly bound-up with wider considerations of trust in public life, but the Statistics Authority and the wider GSS must nonetheless do all they can to secure public confidence.

Strengthening user engagement

During the year, we continued to work closely with the Royal Statistical Society (RSS) and Statistics User Forum (SUF). Engagement with those bodies, and with the wider statistical user community, keeps the Statistics Authority alert to important statistical issues and concerns, and is invaluable in shaping our programme for the future.

In March 2010, the Statistics Authority published an interim report, *Strengthening User Engagement*. We found that, while there is already much engagement with users, there needs to be: better understanding of the use currently made of official statistics and the value to society that flows from that use; better communication with a wider range of users; and better exploitation of the existing consultation structures and technologies to ensure that user engagement is effective. The report contained a summary of a new survey on public confidence in official statistics.

The report also included the findings of an interview survey of leading commentators on statistical matters. One finding was that the independence of the Statistics Authority was seen by a number of those interviewed to be essential for the establishment of public trust and confidence in official statistics. The report also found that, while many users have a good relationship with statistical producers, more should be done with and for users, including improving the communication of the narrative on the statistics that are produced.

Reporting our findings

Our first statutory Assessment Reports were published in June 2009, and in the nine months to the end of March 2010, we published 34 Assessment Reports, covering over 160 statistical outputs. I have said before that statutory Assessment of the 1,100 or so sets of statistical outputs already labelled as *National Statistics* is a Herculean task. So there remains a lot still to be done – our published plan is to complete this work by 2012.

The findings from our first year's Assessment Programme were summarised in a Note published towards the end of the financial year. The *Code of Practice for*

Official Statistics was explicitly designed to set a challenging standard, and therefore it was not surprising that none of the sets of statistics assessed in the first year of the Assessment Programme were found to be Code-compliant in every respect. However, while the degree of compliance with the main principles of the Code was generally good, compliance with the principles relating to identifying user needs and user engagement, frankness and accessibility, and release practices was weaker, reflecting the fact that the new Code had introduced more challenging standards in these areas.

From the evidence of the first series of Assessments, the Statistics Authority would like to see producers of official statistics giving closer attention to three broad areas in the coming year:

- (i) more systematic engagement with those organisations and individuals whose decisions or actions are informed by official statistics, in particular engagement with users (and potential users) outside government;
- (ii) fuller explanation of official statistics, and enhancement of the commentary and narrative accompanying them, including trends over time and geographical patterns; and
- (iii) more systematic publication of important background documentation to increase transparency and to demonstrate the openness, integrity and trustworthiness of the statistical production process.

In July 2009, the Statistics Authority published a report reviewing progress in improving migration statistics. We recognised that in the absence of a comprehensive population register of everyone in, and everyone entering and leaving the UK, the desired improvement

will be slow. Such a register would not remove all of the problems, but we believe that it would provide a clearer and more accurate picture of UK migration.

In the report we recommended various improvements to the existing system, on the assumption that a population register will not be introduced, that migration statistics should be quality-assured with local government experts before the final estimates are produced, and that local authority population estimates with high levels of uncertainty should be highlighted with the reasons for such uncertainty for those areas. It would also be helpful to clarify how *e-Borders* information might be used in the estimation of migration statistics in future. There should also be more regular publication of important information about how the Migration Statistics Improvement Programme is progressing. Finally, we recommended that ONS, the Home Office and the Department for Work and Pensions should undertake further work to enable users of migration statistics to understand how the different sets of statistics they produce relate to each other and to migration more generally.

In the absence of a population register, the Statistics Authority believes that there needs to be faster progress in establishing a comprehensive and regularly maintained register of addresses – which would contain no confidential information and thus not raise the kinds of concerns that have prevented the creation of a population register. ONS is already producing an address register for the purposes of the 2011 Census, so as to maximise household response rates, particularly in ‘hard-to-count’ areas. However, the arrangements that allow ONS access to the relevant data do not extend beyond the Census and there is neither agreement nor funding allocated

elsewhere in government to maintain a national address register after 27 March 2011. The Statistics Authority set out its strong views on this topic in a series of letters in Summer 2009 and we were grateful for the support from the RSS, PASC, and leading influential voices in the statistical user community.

Assessment against the *Code of Practice for Official Statistics* ensures high and consistent professional standards and maintains pressure for improvement. The Authority’s Assessment of road casualty statistics in 2009 provided a case in point. We decided to bring forward our Assessment of these statistics following the publication of a report by the House of Commons Transport Select Committee in 2008, in which a number of concerns were raised. Our Assessment Report placed a number of requirements on the producer department if these statistics were to retain the National Statistics standard, and the Head of Assessment gave oral evidence to the Committee setting out our findings. At the request of the Committee, the Authority will undertake further work during 2010 to establish the reasons for the divergence between road casualty fatalities and serious injuries, and we will publish our findings later this year.

In December, the Authority published an interim report, *Overcoming Barriers to Trust in Crime Statistics in England and Wales*. We consulted on our interim findings, and the final report was published in May 2010. We look forward to discussing how to implement our recommendations with the Home Office and other interested parties.

The Statistics Authority published its independent review of the workings of the new statutory arrangements for pre-release access to official statistics in March 2010. As I noted above, the

Authority remains of the view that pre-release access undermines public trust in official statistics, and should be reduced to the minimum necessary. We would like to see the Government undertaking to follow our recommendations on these arrangements: to reduce the maximum time limit to three hours, with a voluntary one hour gap between the release of the statistics and any political comment about them, and consistency across the UK. We believe that the recommendations and findings in our report will bring about much-needed change by building public trust and confidence in official statistics.

2011 is Census year. The Census is the largest single operation undertaken by the statistical service. It depends for its success on the cooperation of over 30 million households across the UK, as well as the support of the UK political parties. The Statistics Authority has closely monitored progress over the last couple of years as the plans and arrangements have developed. We are fully committed to the 2011 Census but we also recognise that alternatives to a decennial census for the longer term will become increasingly realistic and practicable if the political and technical commitment is secured. The Authority will be paying close attention to this issue in the years to come.

The Statistics Authority continues to benefit from many sources of advice and expertise. The non-executive members of the Authority Board bring immense experience and wise counsel to our deliberations. We are extremely fortunate to be able to draw on their backgrounds in academe, business, and public service. In February 2010 we welcomed two new non-executive members, Colette Bowe and Sir Jon Shortridge, to the Authority's Board.

Following Dame Karen Dunnell's retirement as National Statistician last

year, the Government, in consultation with the Authority, redefined the role of the National Statistician and restructured the top-level of management of ONS. Jil Matheson was appointed as National Statistician in September 2009, and Stephen Penneck was appointed as Director General of ONS in November 2009. The Director General is now responsible for the day-to-day management of ONS, allowing the National Statistician to devote more time to her role as head of the 7,000 members of the GSS across government and statistical Head of Profession for the 1,400 members of the Government Statistician Group.

In the year to come, I shall be working with my colleagues not only to consolidate further the role that the Statistics Authority has now established, but also to explore with the Government further ways in which the Authority can help to ensure a well co-ordinated, strong, and efficient statistical service, working to deliver maximum public value for all who use and rely on it. The Authority's programme of reports, recommendations, and observations will continue apace and if we need to do so, we will continue to make public interventions to protect the trustworthiness or integrity of official statistics.

I and my fellow members of the Authority's Board are most grateful to all who continue to support us as we travel along our long, difficult, but rewarding path.



Sir Michael Scholar KCB
Chair, UK Statistics Authority
July 2010

1.2 – ESTABLISHMENT AND MEMBERSHIP

The UK Statistics Authority was established under the *Statistics and Registration Service Act 2007* and on 1 April 2008 formally assumed its powers. The Authority is an independent statutory body. It operates at arm's length from government as a non-ministerial department that reports directly to the UK Parliament and the devolved legislatures.

The Chair of the UK Statistics Authority is Sir Michael Scholar KCB. Sir Michael was appointed Chair of the Authority by Her Majesty the Queen following an open competition. The appointment was subject to a pre-confirmation hearing by the House of Commons Treasury Committee and a formal debate on the floor of the House. Sir Michael took up his post as Chair-designate in September 2007.

The eight other non-executive members of the Authority were appointed through open competition, some after consultation with the devolved administrations. During 2009/10 they were:

- Professor Sir Roger Jowell CBE – Deputy Chair of the Authority with responsibility for oversight of the UK official statistics system;
- Lord David Rowe-Beddoe of Kilgetty – Deputy Chair of the Authority with responsibility for the governance of the Office for National Statistics (ONS);
- Dr Colette Bowe (from February 2010);
- Mr Partha Dasgupta;
- Ms Moira Gibb CBE;
- Professor Stephen Nickell CBE FBA;
- Professor David Rhind CBE FRS FBA; and
- Sir Jon Shortridge KCB (from February 2010).

The Authority also has three executive members at any one time. During 2009/10 they were:

- Dame Karen Dunnell DCB – National Statistician (until August 2009). The National Statistician is a Crown appointment and a member of the Authority under the provisions of the 2007 Act;
- Ms Jil Matheson – National Statistician (from September 2009);
- Mr Richard Alldritt – Head of Assessment. The Head of Assessment is a statutory appointment under the provisions of the 2007 Act and was appointed a member of the Authority by the non-executive members;
- Mr Steve Newman – Chief Financial Officer of ONS (until November 2009); and
- Mr Stephen Penneck – Director General of ONS (from November 2009). Mr Penneck was also appointed a member of the Authority by the non-executive members.

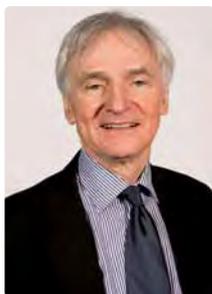
1.3 – FUNCTIONS AND SCOPE

The UK Statistics Authority has two principal statutory functions: governance of the Office for National Statistics, the UK's National Statistical Institute and largest producer of official statistics; and independent scrutiny of all official statistics produced in the UK, through monitoring and assessment against the *Code of Practice for Official Statistics*.

The Authority is required to promote and safeguard the quality and comprehensiveness of official statistics, and to ensure good practice in relation to official statistics. It is responsible for producing and maintaining the Code of

Members of the UK Statistics Authority in 2009/10

Chair



Sir Michael Scholar
KCB

Deputy Chairs



Lord Rowe-Beddoe
of Kilgetty



Professor Sir Roger
Jowell CBE

Non-Executive Members



Dr Colette Bowe



Mr Partha Dasgupta



Ms Moira Gibb CBE



Professor Stephen
Nickell CBE FBA



Professor David
Rhind CBE FRS FBA



Sir Jon Shortridge
KCB

Executive Members



Dame Karen Dunnell
DCB



Ms Jil Matheson



Mr Richard Alldritt



Mr Steve Newman



Mr Stephen Penneck

Practice and for taking action when there are infringements of the Code.

It is also responsible for devising and conducting a programme of assessments to determine which official statistics may be accredited as *National Statistics* and to publish lists of those statistics each year. It is the Authority's duty to report any concerns about the quality of official statistics it may have to Parliament or to the devolved legislatures.

The 2007 Act gave the UK Parliament, or in the case of wholly devolved statistics, the devolved legislatures, the responsibility for determining:

- the arrangements and procedures for access to official statistics before their publication in final form;
- which bodies, other than Crown bodies, may produce official statistics and therefore be subject to the provisions of the Code; and
- what data may be shared between the Authority and other public bodies for statistical purposes.

Since 2008 the UK Government has introduced five Orders¹ relating to these matters which were approved by Parliament and brought into force. In addition, two Orders were brought into force by the Scottish Parliament², one by the Northern Ireland Assembly³ and one by the National Assembly for Wales.⁴

1.4 – AIMS AND OBJECTIVES

The Authority's statutory task of '*promoting and safeguarding the production and publication of official statistics that serve the public good*' is set in broad terms. The role of the Authority is to ensure that official statistics are produced and used for the public good,

that is, not necessarily for the benefit of government alone.

The Authority has developed a set of high-level aims and objectives to reflect the legislation and to guide its actions.

The UK Statistics Authority aims to ensure that:

- the right range of statistics are produced;
- high and consistent professional standards are maintained; and
- official statistics are well explained, including strengths and weaknesses – leading to better decision-making in the public interest.

By so doing, the Authority aims to enhance trust in the statistical system, in terms of quality, political independence and impartiality.

In order to achieve these aims the Authority's objectives or tasks, are to:

- support the National Statistician in improving statistical planning (decisions on what statistics will be produced and in what form) taking systematic account of user needs;
- use its scrutiny powers to ensure high and consistent professional standards across all producers of official statistics;
- work with the statistical service to help improve communication of statistics and related advice to users; and
- build confidence in the statistical service, and in the Authority, among those people who use official statistics.

The UK Statistics Authority has four principal mechanisms by which to achieve its objectives:

- systematically assessing compliance of official statistics with the Code of Practice, and investigating and reporting independently on major issues;

- direct responsibility for the governance of ONS;
- working with the statistical service to design and implement improved procedures where the need for this is identified; and
- reporting to Parliament and advising Government about any aspects of the statistical service, or the use of official statistics, about which the Authority has concerns.

These mechanisms relate to three different but overlapping spheres of the official statistics system: the Authority's scrutiny function, the Office for National Statistics and the wider Government Statistical Service (GSS). This structure helps shape, in turn, the structure of this report.

1.5 – STRUCTURE OF THIS REPORT

The report is divided into the following chapters.

- Chapter 2 reports on the Authority's scrutiny function as conducted by staff of the Authority. It begins with an introduction by the Head of Assessment, Richard Alldritt, who leads the Programme of Assessments on behalf of the Authority.
- Chapter 3 reports on the work being carried out by statisticians across the GSS. It begins with an introduction by the National Statistician, Jil Matheson, in her capacity as Head of the GSS.
- Chapter 4 reports on the work of ONS, the country's National Statistical Institute and single largest producer of official statistics. It begins with an introduction by Stephen Penneck, Director General of ONS.

1.6 – REPORTING TO PARLIAMENT

The UK Statistics Authority is an independent statutory body that reports to the UK Parliament and to the devolved legislatures on the exercise of its functions. The 2007 Act sets out how the Authority will produce a report to Parliament and the devolved legislatures on what it has done during the year, what it has found during the year and what it intends to do during the next year⁵. This Annual Report fulfils that responsibility.

The Authority attaches particular importance to its direct reporting and overall accountability to the UK Parliament and devolved legislatures. The Head of Assessment gave oral evidence to the House of Commons Transport Select Committee during the year, following the Authority's statutory Assessment of road casualty statistics produced by the Department for Transport. The National Statistician gave oral evidence to the Public Administration Select Committee on the 2011 Census Programme, and on a subsequent occasion also gave evidence on the proposed questions for the 2011 Census. The Authority looks forward to similar opportunities to discuss the work of the Authority with other UK Parliament committees and the devolved legislatures.

The UK Statistics Authority was not the subject of any complaints to the Parliamentary Ombudsman during the reporting period.

1.7 – THE AUTHORITY IN 2009/10

The remaining sections of this chapter set out how the Authority has decided to manage and communicate its work, the internal organisation structures it has established to manage its business, the

staff it has to support it and the ways in which it makes transparent its activities.

1.8 – ORGANISATION

The 12 executive and non-executive members constitute the Board of the UK Statistics Authority, the Authority's governing body. The Board is chaired by Sir Michael Scholar. The Board met on 11 occasions during 2009/10.

The Authority's Board has established sub-committees to support it in its work and which report to it. During 2009/10 these were:

- the Office for National Statistics (ONS) Board, chaired by Lord Rowe-Beedoe, the Authority's Deputy Chair with responsibility for ONS. The ONS Board oversees the strategy and priorities of ONS and monitors the ONS budget and work programme. During 2009/10 it met on 11 occasions;
- the Committee for Official Statistics, chaired by Professor Sir Roger Jowell, Deputy Chair with responsibility for official statistics. The Committee provides oversight of the UK official statistics system, including its scope and capacity and the extent to which it meets the full range of user needs. During the year it met on five occasions;
- the Assessment Committee, also chaired by Professor Sir Roger Jowell, to consider draft Assessment Reports and make recommendations to the Board of the Authority regarding *National Statistics* designation. The Committee met seven times during 2009/10;
- the Audit Committee, chaired by Professor David Rhind. The Committee's remit concerns risk management, control and governance

in the Authority. It met six times during 2009/10; and

- the Remuneration Committee, chaired by Lord Rowe-Beedoe. The Committee oversees the remuneration of the members of the Senior Civil Service (SCS) employed by the Authority and ONS. The Committee met on two occasions during 2009/10.

The diagram below shows these committees and how they relate to the organisational structures of ONS and the GSS.

1.9 – SUPPORT TO THE BOARD OF THE UK STATISTICS AUTHORITY

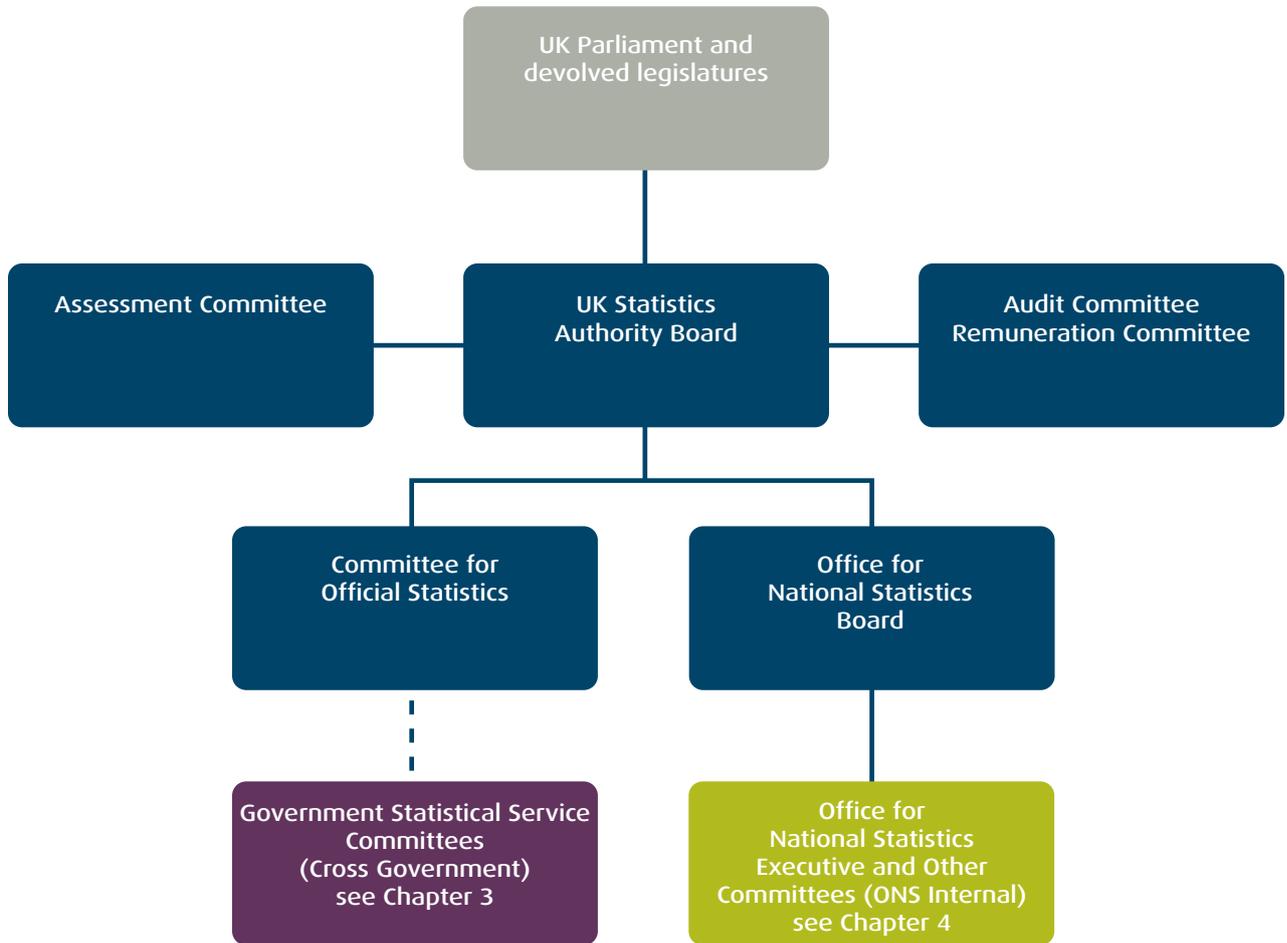
The Authority is supported by a small headquarters staff who have two main areas of responsibility:

- monitoring and assessment of official statistics led by the Head of Assessment. These functions and activities are further discussed in Chapter 2 of this report; and
- provision of secretariat and support functions to the Chair and members of the Authority, its Board and committees. The Head of Secretariat may report directly to the Chair in the exercise of these functions.

These teams completed recruitment of staff in 2009/10 and by 31 March 2010, had 27 staff which equated to 23.6 full-time equivalents (FTEs). Of these, seven were primarily engaged in secretariat functions, although the role also involves working closely with the monitoring and assessment functions.

The principal responsibilities of the Secretariat are: to manage the business of the Authority's Board and its committees; to manage the Authority's public face

UK Statistics Authority Organisation Structure



including its website, media relations and other communications activities; to provide public enquiry facilities; to support the programme of events; to coordinate and manage its casework and formal correspondence; to assist the Board in the development and implementation of its policies; and to provide other support and advice to the Chair and other Authority members as required.

1.10 – ENGAGEMENT AND TRANSPARENCY

Since its launch on 1 April 2008, the Authority has sought to build good relations with the statistical user community, in particular the Royal

Statistical Society (RSS) and Statistics User Forum.

Sir Michael Scholar delivered a speech to the annual conference of the RSS in September 2009 and he and others members of the Authority have participated in a range of user events and meetings organised throughout the year.

The Authority operates transparently and openly. It publishes the minutes and papers of its meetings on its website, together with a monthly report on its activities, correspondence regarding issues of public concern and information about other aspects of its work.

During the year the Authority has continued to maintain an issues log which

is routinely updated and published on the Authority website. The issues log lists those issues raised with the Authority. It is an important mechanism by which the Authority decides how to respond to issues of public concern and determine its forward work programme for Monitoring and Assessment.

The Authority has a central email enquiry point: authority.enquiries@statistics.gov.uk. Enquiry handling is managed by the Secretariat. There is also a central telephone enquiry line: 0845 604 1857. the UK Statistics Authority's website is: www.statisticsauthority.gov.uk

The Authority's website, telephone and email enquiry services are at the forefront of the Authority's public 'face'.

1.11 – NOTES ON CHAPTER 1

- 1 *Pre-Release Access to Official Statistics Order 2008, Official Statistics Order 2008, Official Statistics Order 2009, Statistics and Registration Service Act 2007 (Disclosure of Higher Education Student Information) Regulations 2009, Statistics and Registration Service Act 2007 (Disclosure of Pupil Information) (England) Regulations 2009*
- 2 *Pre-Release Access to Official Statistics (Scotland) Order 2008, Official Statistics (Scotland) Order 2008*
- 3 *Pre-Release Access to Official Statistics (Northern Ireland) Order 2009*
- 4 *Pre-Release Access to Official Statistics (Wales) Order 2009*
- 5 *Statistics and Registration Service Act (2007) – Section 27*



Mr Richard Alldritt

Chapter 2

Monitoring and Assessment Annual Report

2.1 – HEAD OF ASSESSMENT'S INTRODUCTION

The role of Head of Assessment involves advising the UK Statistics Authority on compliance with the *Code of Practice for Official Statistics* and, more generally, on the scrutiny of the UK statistical system.

As required by the legislation which established the Authority, a revised *Code of Practice for Official Statistics* was published in January 2009, following extensive consultation, and this laid the foundation for all the subsequent monitoring and assessment work.

The 2009/10 financial year was the first full year of operation of the new Code and we paid close attention to feedback

from both producers and users of official statistics on their experience of using the Code. I am glad to say that the feedback has been positive, particularly in respect of the concise and imperative format of the Code and its focus on communication between producers and users of official statistics. It has also proved to be an effective basis for the formal assessment of sets of statistics, as required by the legislation, although we will be looking for ways to further clarify some points of interpretation of the Code as experience grows.

When we designate statistics as being compliant with the Code of Practice, and therefore fit to be badged as *National Statistics*, it broadly means that the figures meet identified user needs; are produced, managed and disseminated to

high standards; and are well explained. It also signifies that the Authority judges the statistics to be readily accessible, produced according to sound methods, and managed impartially and objectively in the public interest. Thus whilst *National Statistics* status is not exactly a quality stamp, it is a very strong endorsement of the way the statistics have been prepared and presented. Having now established the assessment and designation process, we will be working to promote a wider appreciation of the high standards associated with the badge.

The Code was not designed to formalise the status quo, but rather to set new and challenging standards across many aspects of the production of official statistics. It thus created some pressure for ongoing development and we were not surprised that no set of statistics reviewed in 2009/10 was found to be fully compliant with all of the 74 distinct requirements. Equally, no set of statistics reviewed in the year was judged to have failed outright, as time is allowed within the assessment process for weaknesses to be put right. This was a positive outcome both for the statistical service and the new assessment process.

Areas that most commonly required some remedial attention before designation as *National Statistics* included effective engagement with communities of users, and offering full explanation of quality and reliability alongside the statistics at the time of publication. While the assessment process has focused on such matters, we do recognise that, by international benchmarks, UK official statistics are mostly prepared to high professional standards and we may need to balance the flow of specific criticisms with more general recognition of this important point.

Some of the concepts associated with good practice in official statistics are proving hard to establish in a consistent way. One is the meaning of 'use' or 'user' of statistics. The Authority employs the word 'user' to mean any organisation or person whose decisions or actions are beneficially influenced by official statistics and similarly 'potential user' meaning anyone who might be so influenced. And, by extension, 'use' means that beneficial influence. So the 'user' may not directly inspect statistics or perform calculations and may not even be aware of using statistics. It may be more a matter of being influenced by messages derived from the figures and propagated by others. Too often the word 'user' is taken to mean someone down the line who just performs further calculations or writes about the statistics. We will be working to establish more firmly the idea that statistics are only ultimately 'used' when they deliver some value to public administration or society.

There are some 200 or more public bodies in the UK that produce official statistics, of which the Office for National Statistics (ONS) is much the largest, but there are several other centres of statistical work in other government departments and the devolved legislatures.

Under the *Statistics and Registration Services Act 2007*, some 1,100 sets of statistics, which already carried the label of *National Statistics* at the time the legislation came into force need to be assessed against the Code. At the end of 2009/10 some 160 sets of these statistics had been considered in 34 Assessment Reports. There is thus still a long way to go in completing the initial assessment process but we think it was right to make a careful and measured start and the speed of production of the reports is increasing. And perhaps more

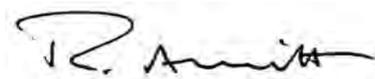
importantly, the beneficial impact of the assessment process is starting to be seen more generally, with a wide range of specific enhancements being made ahead of, and in anticipation of, the assessment process.

We have encouraged this by publishing the first of a series of short reports called *Findings from Assessment*. This identifies three aspects of statistical production on which we recommend that producer organisations should focus:

1. Bearing in mind that statistics only realise their full potential when they are used in ways that serve the public interest, there needs to be more systematic engagement and dialogue with those organisations and individuals whose decisions or actions are informed by official statistics.
2. It would also be beneficial to explain the statistics more fully, including trends over time and geographical patterns. Enhancing the commentary accompanying statistics will help the user understand and interpret the data. The Code requires that *“information on the quality and reliability of statistics in relation to the range of potential uses”* should be published alongside the statistics themselves.
3. To meet the Code of Practice, various documents about statistical practice need to be published and these have not all been prepared as yet. Their purpose is to increase transparency and demonstrate the openness, integrity and trustworthiness of the statistical process.

In addition to scrutiny of Code-compliance, the Monitoring and Assessment Team take a leading role in the production of reports that look in

more detail at areas of statistical work, and also prepare published notes and correspondence on matters of public interest or concern. During the year, four Monitoring Reports were published and their conclusions and recommendations are reported in this chapter.



Richard Alldritt
Head of Assessment,
UK Statistics Authority
July 2010

2.2 – ASSESSMENT

The Assessment of official statistics against a Code of Practice is a statutory requirement of the *Statistics and Registration Service Act 2007*. Previously, statistics could use the label *National Statistics* if they were considered by the producing organisation to be compliant with the (now superseded) *National Statistics Code of Practice*. The Act also allows the Authority to assess any official statistics not currently designated as *National Statistics*, subject to the agreement of the relevant Ministers.

A new *Code of Practice for Official Statistics* was consulted upon and published by the UK Statistics Authority in January 2009. 2009/10 has been a year of significant assessment activity with 34 Assessment Reports published; covering over 160 statistical outputs. The assessment process itself has matured during this time. Working methods have been refined and embedded, a comprehensive handbook for assessors has been developed to ensure a harmonised approach, and the Authority has published a handbook to guide statistical producers through the assessment process.

All the sets of statistics assessed during the year were conditionally designated as *National Statistics*. Conditional designation means that, subject to certain steps being taken by the producer body (referred to as 'requirements'), the statistics in question were found to be compliant with the Code of Practice. An analysis of the findings of, and requirements from, the first 27 Assessment Reports, published in March 2010, found that compliance with Principle 1 (meeting user needs) and Principle 8 (frankness and accessibility), along with Protocol 2 (release practices) were the weaker areas, whilst compliance

with Principle 3 (integrity), Principle 6 (proportionate burden) and Principle 7 (resources) was strongest. The areas of relative weaknesses correspond with those aspects of the new Code of Practice that were more challenging than the previous corresponding standards in the former *National Statistics Code of Practice*, part of a deliberate design to tackle previously recognised weaknesses.

One major aim of assessment is to provide external and independent assurance, including to Parliament and the public, that the environment in which the statistics are produced, and their means of production and dissemination, give sufficient cause for the statistics to be regarded as trustworthy. Assessment has also stimulated improvements, by producers, to aspects of statistical production or presentation in relation to each area of statistics that we have reported upon. Details of one particular example in respect of the Assessment of road casualty statistics are given below.

The assessment process also identifies good practice and promotes it across the Government Statistical Service (GSS). One example of where these benefits are beginning to materialise is in relation to the development of statistical releases that fully meet the standards in the Code. This was elaborated further in a Monitoring and Assessment Note published in January 2009 which reviewed the presentation of statistics in First Releases and elsewhere. Assessment Report 23, on Child Benefit Statistics published by Her Majesty's Revenue and Customs (HMRC), observed a lack of accompanying commentary to contextualise or explain the figures in the relevant statistical releases, and designation of these statistics was conditional on a requirement to "publish fuller commentary on recent trends

in child benefit statistical releases, in order to enhance users' interpretation of the statistics". HMRC, the National Statistician's Office and the Monitoring and Assessment Team have been working together to improve this particular release, with a view to producing a best practice example statistical release as an illustrative guide for all producers of official statistics.

A full list of all the Assessment Reports published by the UK Statistics Authority in 2009/10 is shown below. All reports are available on the Authority's website at:

www.statisticsauthority.gov.uk/assessment/assessment-reports

The Assessment of Road Casualty Statistics

In its Eleventh Report of Session 2007/08, the House of Commons Transport Committee expressed concern about the reliability of Department for Transport (DfT) statistics on road casualties. Of particular concern was the significant, yet unexplained, divergence in trends for deaths and serious injuries resulting from road accidents, and the possibility that this divergence was an artefact of under-reporting and mis-classification in the police recording system from which the statistics are derived, rather than a reflection of a genuine trend.

In response to the Committee's concerns the Authority's Assessment of DfT's road casualty statistics was brought forward into the initial set of Assessments conducted by the Authority. The Assessment found that the DfT was not meeting the Code's principles of meeting user needs, or frankness and accessibility, as well as it should. Research using hospital admissions data has shown the level of road casualties could be closer to twice the number recorded in the official figures. The Assessment found that the commentary accompanying the statistics did not convey this message sufficiently clearly, and the presentation of the figures seemed to suggest a level of precision that could not be justified. In order to retain *National Statistics* designation the DfT was required to review and clarify the presentation of these statistics, to reflect their known limitations.

Following publication of the Assessment Report in July 2009, the Transport Committee held an oral evidence session at which the Head of Assessment was invited to give evidence on the findings of the road casualty statistics Assessment. In its subsequent report on the *Performance of the Department for Transport*, the Committee welcomed the measures proposed by the DfT to improve the accuracy of road casualty statistics in response to the Authority's Assessment Report, and called on the department to implement the actions fully and to make use of the wider sources of casualty data in future statements and reports. The Committee has also asked the Authority to undertake a specific investigation into the extent to which the DfT has sought an explanation for the unexpected divergence between the number of people killed and those seriously injured.

List of Assessment Reports Published in 2009/10

1. Statistics from the National Drug Treatment Monitoring System – National Treatment Agency for Substance Misuse
2. Recorded Crime in Scotland – Scottish Government
3. Statistics on Enrolments at Schools and in Funded Pre-School Education in Northern Ireland – Department of Education, Northern Ireland
4. Road Casualty Statistics – Department for Transport
5. UK Energy Sector Indicators – Department of Energy and Climate Change

6. Statistics on Road Freight – Department for Transport
7. Prison Population Projections – Ministry of Justice
8. Migration Statistics – Office for National Statistics
9. Statistics on International Development and the ODA: GNI Ratio – Department for International Development
10. The Scottish Health Survey – Scottish Government
11. Scottish House Condition Survey – Scottish Government
12. Scottish Crime and Justice Survey – Scottish Government
13. Statistics on Children Looked After by Local Authorities in England – Department for Children, Schools and Families
14. Statistics on Children Looked After by Local Authorities in Scotland – Scottish Government
15. Statistics on Children Looked After by Local Authorities in Wales – Welsh Assembly Government
16. Statistics on Children Looked After by Health and Social Care Trusts in Northern Ireland – Department of Health, Social Services and Public Safety, Northern Ireland
17. Wealth in Great Britain – Office for National Statistics
18. Statistics on the National Child Measurement Programme – NHS Information Centre
19. Average Weekly Earnings – Office for National Statistics
20. Energy Statistics – Department of Energy and Climate Change
21. 18 Weeks Referral to Treatment Statistics – Department of Health
22. Agriculture in the UK and Selected Crop and Livestock Statistics – Department for Environment, Food and Rural Affairs
23. Child Benefit Statistics – Her Majesty's Revenue and Customs
24. Producer Price Indices – Office for National Statistics
25. Services Producer Price Indices – Office for National Statistics
26. Scottish Household Survey Outputs – Scottish Government
27. Scottish Labour Market Statistics – Scottish Government
28. Special Assessment of the 2011 Censuses in the UK: Phase 1 – Office for National Statistics, the General Register Office for Scotland and the Northern Ireland Statistics and Research Agency
29. Labour Market Statistics for Northern Ireland – Department of Enterprise, Trade and Investment, Northern Ireland
30. Child and Working Tax Credit Statistics – Her Majesty's Revenue and Customs
31. Emissions Statistics – Department of Energy and Climate Change
32. Council Tax Levels Set by Local Authorities – Department for Communities and Local Government
33. Welsh Labour Market Statistics – Welsh Assembly Government
34. UK Labour Market Statistics – Office for National Statistics

2.3 – MONITORING REPORTS

Monitoring Reports are comprehensive reviews intended to fulfil the Authority's statutory function to monitor the production and publication of official statistics. These reports are typically produced with the involvement of external experts and user interests but reflect the Authority's independent views. The Authority worked on four Monitoring Reports during 2009/10:

- *Migration Statistics: the Way Ahead?*;
- *Overcoming Barriers to Trust in Crime Statistics*;
- *Pre-Release Access to Official Statistics: A Review of the Statutory Arrangements*; and
- *Strengthening User Engagement*.

Revisions to the priorities and timetable for Monitoring Reports were announced earlier in the year. The proposed reports on 'Environment Statistics' and 'Communicating the Measurement of Inflation' were delayed by other work but are now being taken forward.

The Authority published its final report on progress to improve official migration statistics, *Migration Statistics: the Way Ahead?*, on 9 July 2009, following an open meeting in April 2009. The report drew on information gathered through interviews with a range of users, a review of the current developments within the Migration Statistics Improvement Programme, and a commissioned review of migration statistics literature prepared by the University of Leeds. The Authority's report concluded that the cross-government programme was doing much useful work to deliver specific improvements in the short to medium term. However, the longer term goal – for high quality migration statistics derived

from an integrated statistical system that draws on administrative and survey/census data – will take some considerable time to realise, perhaps decades. The Office for National Statistics (ONS) has put in place an action plan to address the recommendations in the Authority's report. The report also highlighted the importance of creating a national address register and this was the subject of extensive correspondence with Ministers and others in the year.

In December 2009 the Authority published its interim report, *Overcoming Barriers to Trust in Crime Statistics*. This sought views on a range of proposals, including changes to the commentary that accompanies crime statistics (with a possible role for the National Statistician); independent oversight of production arrangements; guidelines on sources of data and their use within government; and the need to focus more on flows through the various stages of the criminal justice system. The interim report was discussed at an open meeting in January 2010. The final report, published in May 2010, considers additional issues such as the quality assurance of local data and the dissemination of performance information to the public.

The interim report *Strengthening User Engagement* was published in March 2010. This report detailed the Authority's thinking on the importance of user engagement as a precursor to realising the value of official statistics. It looked at ways of enhancing communication between the producers of official statistics and the users, aiming to guide the future development of the statistical service, and to help users to engage with the statistical service and make the maximum possible use of it.

The report also included information about user engagement among National Statistical Institutes in other countries, and discussions with users and producers across the UK. The interim report reached a number of conclusions, for example that while much user engagement does take place, it is often limited to central government users. The improvements that are needed are varied in nature. They include better understanding of the use currently made of official statistics, better communication with a wider range of users, and better exploitation of existing consultation structures and new and emerging technologies to ensure that user engagement is effective. The interim recommendations in the report addressed these conclusions.

In last year's Annual Report, the Statistics Authority set out ways in which, during 2009/10, it would develop some of the indicators that reflect on its own work. Consequently, the *Strengthening User Engagement* interim report included two pieces of independent research 1) on the perceptions of 'opinion formers' – those people whose perceptions of the statistical service are likely to prove influential with the informed public – and 2) on public confidence in official statistics.

The political context in which the statistical service is operating is important when considering such subjective indicators. Public confidence in official statistics continues to be low, and the research showed that the latest figures are no better than when measurement started in 2004. The Authority believes that public attitudes are strongly influenced by the media and wider attitudes to public administration and it was not surprised at the results. We see no easy route to enhancing the confidence of the general public in the statistical service, in isolation from those

wider issues, but equally, we must do all we can to ensure the service is both trustworthy and trusted. It would be very helpful if the news media were more prepared to present new statistical information correctly and this, in turn, might be facilitated if the statistics were better explained to the news media when they are released. The Authority will be encouraging all the bodies that produce official statistics to work to improve relations with journalists and this is one of the priorities identified in the *Strengthening User Engagement* report.

The second piece of research in the report showed that opinion formers mostly view official statistics more positively. These people use the statistics as an evidence base, in holding both political leaders and Government to account, to lobby for change, and they understand the strengths and weaknesses of the figures. However, there remains among this community some concern about the ways in which statistics are presented by the media and in public debate. The research also provided valuable insights about how best to enhance the relationship between users and producers of official statistics, and how best to extend knowledge and visibility of the work of the Authority itself.

The Statistics Authority also published its review of the statutory arrangements for pre-release access to official statistics in the four UK administrations in March 2010. The Authority's recommendations to Parliament and the Government were that:

- all four UK administrations should amend their Pre-Release Access to Official Statistics Orders to adopt a maximum period of pre-release access of three hours, in line with the recommendation made by the House of Commons Treasury Committee in 2006;

- the four administrations should also work together to ensure consistency between the statutory arrangements as they apply to their official statistics;
- to maximise attention on statistical releases, and to minimise any impression that there is collusion to align statistical releases with ministerial statements, an interval of one hour should be respected, on a voluntary basis, between the release of statistics and the release of ministerial comment about them; and
- provisions in the Orders allowing 24 hours embargoed release of statistical reports to journalists should be deleted. They allow the news media to have statistical information ahead of Parliament and the Authority believes this is neither necessary nor desirable.

While the Authority is precluded under the *Statistics and Registration Service Act 2007* from determining the rules on pre-release access, the Authority proposed that it would be in the interests of public confidence in official statistics if the Authority were given the lead role in determining these arrangements in future. Our aim is to respect the internationally recognised principle of equal access to official statistics, and to enhance the independence and utility of the statistical service by ensuring that it is seen to be beyond any inappropriate influence.

2.4 – MONITORING AND ASSESSMENT NOTES

The Authority publishes Monitoring and Assessment Notes in response to concerns raised in relation to a particular series or statistical issue. In considering whether a Note should be published, the Authority reviews the significance and topicality of the issue, the link between the issue

concerned and the trustworthiness of the statistical service, and to whether there are messages from the issue that could relate to other statistical producers or products. It is also influenced by consideration of whether the necessary resources are available to address the issue.

During the year, Notes were published on the gender pay gap, trends in violent crime, the findings of the 2009 Assessment Programme and Scotland's major population surveys.

The Note on the gender pay gap investigated why ONS and the Government Equalities Office (GEO) used different headline figures to present the difference between men's and women's pay. Both estimates were based on the same source data – the ONS *Survey of Annual Hours and Earnings*. The Note also explored options for presenting the gender pay gap in an impartial and objective way. As a result of the Authority's work in this area, discussions between ONS and GEO have taken place to identify the most appropriate way to present figures on the gender pay gap. ONS has since published a position paper on how ONS statistical bulletins will present differences in men's and women's pay.

An Monitoring and Assessment Note on trends in violent crime was published as a response to concerns about the way in which comparisons were being made using police recorded crime data between the late 1990s and 2008/09. The Authority regards comparison of this data as requiring appropriate qualification, because the data were affected by the introduction of the *National Crime Recoding Standard* in 2002/03, which led to an increase in recorded crime for definitional reasons.

The Note setting out the findings of the 2009 Assessment Programme provided a summary of the main areas of good practice and areas for improvement which were identified during the 27 Assessments carried out in 2009. An early version of the Note was the basis for discussion between assessors and producers. The findings themselves are set out in section 2.2 above. The Note was well-received by producers of official statistics who regard it as both a helpful summary and an indication of the main areas requiring cross-cutting improvement.

The Monitoring and Assessment Note on Scotland's major population surveys summarised the main areas of good practice and areas for improvement which the Authority identified during the separate Assessments of the four surveys (the *Scottish Household, Health, House Condition, and Crime and Justice* surveys). Highlighting these areas was intended to help other producers of official statistics. Areas of good practice included specific examples from the surveys, such as web pages with details of uses and user views, and innovative approaches to providing statistical data in formats which allow further analysis by users. The areas for improvement included pre-announcing the publication dates of statistical releases and consistently reporting progress against Scottish Government targets.

2.5 – ISSUES LOG AND CASEWORK

The Authority maintains an Issues Log on its website. This log is a record of matters or concerns to which the Authority's attention has been drawn. Inclusion on the Log does not necessarily mean that the Authority shares the concern or is committed to further action. The purpose

of maintaining the Log is to provide transparency about what is drawn to our attention. The Authority follows some of the issues up, and this can lead to an announcement or a position statement set out in correspondence or a Monitoring and Assessment Note.

Many of the issues raised with the Authority have fallen into the following broad categories:

- the clarity of the communication of official statistics;
- methodological/technical concerns about coverage and classification;
- the coherence of official statistics (including with non-official statistics);
- concerns about release practices;
- legal/quasi-legal issues, including relating to the Census, and to disclosure; and
- gaps in official statistics.

2.6 – MONITORING AND ASSESSMENT TEAM

The Monitoring and Assessment Team has now successfully recruited across its three sites – London, Edinburgh, and Newport. The team has 20 staff members from a range of analytic backgrounds; including statistics, social research, economics, and audit. The team meets regularly in order to share its understanding of the application of the Code in Assessments, and to ensure coherence. When possible, individual Assessments are conducted by assessors from more than one site.

The Authority, with the Royal Statistical Society (RSS) and the Economic and Social Research Council, jointly funds the Statistics User Forum (SUF). SUF is an umbrella organisation for user groups and other interested bodies. It aims to be the authoritative voice for users of UK official

statistics, working in partnership with the devolved administrations and their own user communities. The Authority has seconded a member of staff to SUF since September 2009, to provide secretariat support to SUF, helping to take forward the RSS Statistics User Theme business planning, and working with user groups bilaterally to help them build and sustain direct engagement with relevant producers.

2.7 – THE AUTHORITY AND THE DEVOLVED LEGISLATURES

The Authority's remit, as established by the *Statistics and Registration Service Act 2007*, applies to official statistics across the UK. The Authority is therefore accountable to the UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

While the core responsibility of the Edinburgh-based part of the Monitoring and Assessment Team is to undertake assessments, it also takes a wider interest in statistical matters concerning the devolved legislatures. Throughout the course of the year visits have been made to officials in the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly to discuss the work of the Authority and to explore options for strengthening and deepening the Authority's accountability to the devolved legislatures. Meetings have also been held with producers of statistics in the devolved administrations through a series of bilateral liaison meetings.

The Assessment Programme for 2010 seeks to assess equivalent sets of statistics for the four UK administrations in parallel, although this is not possible in every case.

We expect that these parallel assessments will continue to identify findings that are relevant to all four administrations. The Authority will report these findings in Assessment Reports themselves and, where appropriate, in separate Monitoring and Assessment Notes.

In 2010 the Authority will continue to engage with users and producers of devolved statistics and with the devolved legislatures to promote a good understanding of the role of the Authority.

2.8 – LOOKING FORWARD TO 2010/11

The Assessment Programme will continue according to the published work programme for 2010/12; updates to the work programme will be published along with a brief explanation of the reasons for changes. The assessment process will be further streamlined to become more efficient and effective, and to reduce the burden on both assessors and producers. In particular we intend to:

- continue to support the National Statistician and the GSS in understanding the messages from Assessment, and helping them as appropriate to improve compliance with the Code – for example, by providing regular summaries of the issues emerging from recent Assessments;
- enable the Authority to communicate these messages about findings from Assessments to the UK Parliament, the devolved legislatures and the public;
- continue to identify best practice in the course of Assessments, and draw attention to it;
- continue to seek feedback from producers not only about progress

in implementing the requirements arising out of Assessments but also about any related changes arising from individual Assessments or the Assessment regime more generally – for example improvements in governance arrangements – and about any concerns that they have about Assessment;

- seek views from users and external commentators about the extent to which they think that Assessment has impacted upon statistical products, and whether it has led to a more trustworthy statistical system;
- publish material about each assessed set of statistics, drawn from written evidence provided during the course of Assessments, via the Publication Hub website, in order to provide users with more information about the statistics; and
- communicate better the ways in which Assessment contributes to meeting the Authority's objectives, and the benefits accruing from the Assessment regime.

The first edition of the *Code of Practice for Official Statistics* was published in January 2009. The Code was deliberately developed to support Assessment, and experiences of this first year of Assessment have shown that some elements of it could usefully be clarified. We intend to review the Code of Practice during the coming year and consult on any amendments and clarifications to the extent that these may be necessary.

An open meeting to discuss the findings of the interim report, *Strengthening User Engagement*, was held in June 2010, and the final report will be published later in the year. The final report of the *Overcoming Barriers to Trust in Crime Statistics* review was published on 24 May 2010. A Monitoring Report, provisionally

entitled *The Adequacy of Environmental Statistics to Inform Public Debate and Government Policy* will be taken forward during 2010/11. This report is likely to concentrate on statistics about the physical environment – particularly climate change statistics – including the current availability of data required to make decisions on adaptation and mitigation of the effects of climate change, and what statistics might be needed in the future. The Authority has deferred plans to carry out a review of how measures of inflation are communicated to the general public until after the *Consumer Prices Index* (CPI) and the *Retail Prices Index* (RPI) have been formally assessed. This Assessment began in April 2010. The Authority's Board will also consider ideas for other future Monitoring Reports throughout the year.

The Statistics Authority believes that Monitoring and Assessment Notes offer a valuable, efficient and effective means of addressing particular statistics issues that do not require the more formal approach underpinning Monitoring Reports. The Authority will identify possible topics for further Notes, with a view to their publication during 2010/11.



Ms Jil Matheson

Chapter 3

Government Statistical Service Annual Report

3.1 – NATIONAL STATISTICIAN'S INTRODUCTION

This is my first annual report as National Statistician since I was appointed to succeed Dame Karen Dunnell DCB on 1 September 2009. During 2009/10 the Government Statistical Service (GSS) has continued to provide a wide range of economic, social and environmental statistics which are vital to understanding both the immediate economic and financial circumstances, and the longer term trends.

In the last year, UK producers of official statistics published statistical releases and reports covering some 1,500 main subjects. At the same time there are

programmes of development work being carried out by statisticians across the GSS and the Northern Ireland Statistics and Research Agency (NISRA).

This report describes some GSS achievements at a time of pressure for greater efficiency and effectiveness. It also outlines the challenges and some areas for innovation in future years to ensure that official statistics continue to meet the needs of our wide range of users.

My role as National Statistician has changed from that of my predecessor. A new Director General reporting to me was appointed to deal with the operational running of the Office for National Statistics (ONS), which allows me to devote more of my time to the GSS, and to the development and promotion of official

statistics. I am a member of the Heads of Analysis Group alongside the heads of economics, social research, operational research and science/engineering, giving leadership to all analysts in government. This year I have taken on the chair of the Departmental Directors of Analysis Group, whose aim is to share learning across departments, identify key common challenges and solutions, and to bring these departmental issues to the Heads of Analysis Group.

My vision for the GSS, of a self-confident, skilled group of people producing high quality statistics, analysis and advice widely used by decision makers, is very similar to that of my predecessor. I have identified six key priorities on which to build for the future:

- Relevant Statistics;
- Standards and Quality;
- Accessibility and Impact;
- Capability;
- Public Profile; and
- International Collaboration.

These priorities are discussed more fully later in this chapter.

Over the past year the statistical system has continued to mature. A review of GSS governance has resulted in a more streamlined and flexible approach that is able to provide strategic direction and ensure that the GSS delivers outputs and services that provide value for its users.

During 2009/10 the UK Statistics Authority launched its formal programme of Assessment against the *Code of Practice for Official Statistics*. The GSS is working to comply with the new Code, published in January 2009, and I am pleased to note that the Assessment Programme has confirmed the designation of over 160 sets of

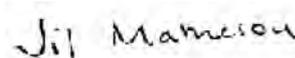
official statistics, albeit all with some requirements, which we will address in the coming months. These are outlined later in this chapter, and were also discussed in Chapter 2.

On 3 March 2010 I published a document entitled *Statistics Matter* setting out what I believe are the key opportunities across government statistics today. These include making greater use of existing data sources, increased use of administrative data and improving accessibility. It highlighted case studies that illustrate the GSS's impact on public decisions and discussed areas for future innovation in statistics.

I have included further examples of GSS success stories in this report. They demonstrate progress in terms of value for money, supporting services to the front line, cross-departmental working, reducing the burden on data suppliers and the willingness to engage with users.

Colleagues across the GSS continue to work on identifying priorities for the future and this report highlights some key areas. Statistical Themes have been revitalised over the past year and will focus on user engagement and strategic priorities.

I would like to take this opportunity to thank everyone involved in official statistics for making my first ten months as National Statistician so enjoyable.



Jil Matheson
National Statistician and Head of the
Government Statistical Service
July 2010

3.2 – THE GOVERNMENT STATISTICAL SERVICE

The Government Statistical service (GSS) is spread across more than 30 government departments, agencies and the devolved administrations. The National Statistician, in addition to being the Chief Executive of the UK Statistics Authority, is also the Head of the GSS. There are more than 7,000 staff working in official statistics, of whom just over 1,400 are members of the professional Statistician Group. The GSS works closely with the Northern Ireland Statistics and Research Agency (NISRA) to ensure, as far as possible, the coherence and compatibility of statistical activities.

National Statistics outputs across the GSS are pre-announced on the central Publication Hub website. There are currently 1,194 *National Statistics* products, and a further 700 official statistics products produced by the GSS and non-Crown bodies. Over 160 sets of official statistics have been designated or re-designated as *National Statistics* by the UK Statistics Authority, albeit with conditional requirements which are discussed later.

Statisticians and their staff work alongside their policy colleagues within government departments and across the devolved administrations. ONS's principal focus is the production of statistics, and development of statistical standards and methods. ONS is the executive office of the UK Statistics Authority.

Every government department or agency with a significant GSS presence, in terms of either its production or use of GSS statistics, has its own Statistical Head of Profession (HoP), with professional accountability to the National Statistician. Each of the devolved administrations has a Chief Statistician.

The *Statistics and Registration Service Act 2007* and associated Orders have expanded the UK statistical system to encompass numerous arm's length bodies (non-departmental public bodies and executive agencies) sponsored by government departments, but producing official statistics. The arrangements for working with and supporting these bodies are currently being considered.

3.3 – THE NATIONAL STATISTICIAN'S PRIORITIES

In 2009/10 the National Statistician continued to lead work to build on the inherent strengths of the GSS, address the challenges facing official statistics, and strengthen the working relationship between the four administrations in the UK. During the year the National Statistician's priorities were established as:

Relevant Statistics

Statistics must continue to develop to reflect changes in society and the economy, and the changing needs of users. The value of statistics, describing uses in decision making is demonstrated in *Statistics Matter*, published in March 2010. Plans that reflect the wide range of users, development needs and resources available are being developed. Transparent prioritisation will be important.

Standards and Quality

The GSS enjoys a good reputation domestically and internationally in this arena though continuous improvement is essential. There is a continued need to invest in methods and standards, sharing best practice across the GSS, learning from the Authority's Assessment process, and drawing on external experts for advice on development where appropriate.

Accessibility and Impact

The need to ensure that outputs are well designed, well presented, well explained and accessible. Examples of the significant impact the contribution of statistics and statisticians can make to effective policy must be showcased so that the value added and the skills deployed are recognised and become an integral part of the policy process.

Capability

The need to both continue work on skills development and continual professional development, and to address broader skills such as influencing and communication, talent management, succession planning and communication.

Public Profile

The need to work with the Authority to build the trustworthiness of statistics – 20 October 2010 will be the first United Nations World Statistics Day with an opportunity to celebrate the great contribution of statistics to government, business and civil society.

International Collaboration

The need to ensure that the UK continues to enhance its strong reputation by, for example, learning from other countries and sharing its own experiences, and by complying with international standards.

3.4 – GSS GOVERNANCE ARRANGEMENTS

Decentralisation of statisticians across government departments necessitates a governance structure which can operate on an inter-departmental and inter-administration basis, coordinate statistical policy, and address issues of common concern.

During 2009/10 the governance structure was reviewed and is designed to be

streamlined and flexible, provide strategic direction, and ensure that the GSS delivers outputs and services that offer real value to its users.

Heads of Profession Group

This group is at the heart of the governance of the GSS. Chaired by the National Statistician, its role is to provide the GSS with professional and strategic guidance and leadership.

Inter-Administration Committee

Chaired by the National Statistician, this committee addresses matters with a bearing on the statistical relationship between the UK Government and the three devolved administrations.

Statistical Policy and Standards Committee

This committee's role is to develop, promote and implement statistical policies and standards for official statistics.

Human Resources Committee

The Human Resources Committee leads in developing and implementing the *GSS Human Resources Strategy* to recruit and retain sufficient numbers of people to meet current and future statistical workforce needs.

Statistical Theme Leaders

During 2009/10 the National Statistician appointed 11 Theme Leaders for the following topics:

- agriculture and environment;
- business and energy;
- children, education and schools;
- crime and justice;
- economy;
- government;
- health and social care;
- labour market;
- people and places;
- population; and
- travel and transport.

Their focus is on longer term planning, such as engagement with users and horizon scanning.

Identifying the administration and support of the expanded UK statistical system given its extension to arm's length bodies (ALBs)

A model for interaction with and support of ALBs was developed for consultation with HoPs and ALBs in spring 2010. The project reported in June 2010, making proposals for the framework in which GSS HoPs and lead officials for statistics in ALBs would work.

3.5 – ACHIEVEMENTS FROM ACROSS THE GSS DURING 2009/10

During the last year, UK producers of official statistics published statistical

releases and reports covering some 1,500 main subjects including the economy, population and migration, the environment, crime, health and many more. These key statistics provide extensive insight into the present state of UK affairs and how they have changed over time.

The achievements include:

- improving services to the front line;
- increased or new cross-departmental cooperation;
- user consultation/engagement resulting in change;
- delivering value for money; and
- reducing the burden on data suppliers.

Case studies from around the GSS

Improving services to the front line

New statistics on UK Armed Forces casualty outcomes – Ministry of Defence (MoD)

Statistical data on casualties are now linked with that of other MoD departmental health systems to better understand outcomes for injured Armed Forces personnel. Analysts are providing new insights into care and treatment pathways and outcomes, such as whether individuals go on to recover full or partial fitness and deployability. Quarterly statistics on Outcomes for Amputees were first published in February 2010 with plans for further new products in 2010/11.

Responding to the flu pandemic through NHS daily pandemic reporting – Department of Health (DH)

From July 2009 to March 2010 DH produced daily reports on the number of patients admitted to NHS hospitals with confirmed or suspected H1N1 virus in England. Information was broken down by age band, co-morbidity, number in critical care and mortalities. The data helped identify groups most likely to suffer severe reactions, which helped identify priority groups for vaccination. The weekly summary helped reassure the public that the NHS was monitoring the situation and responding accordingly. The legacy of such a detailed dataset will be useful to inform planning for future pandemics/epidemics.

Improving understanding of benefit entitlements and benefit uptake rates in Northern Ireland – Department for Social Development Northern Ireland

The Benefits Update Programme is an annual exercise that with the assistance of the Analytical Services Unit, identifies and targets vulnerable groups in the community to make them aware of their benefit entitlements. For the 2008/09 reference year exercise (the latest data available), approximately 25,000 clients were contacted and encouraged to have a full benefit assessment through the Citizens Advice Bureau. Additionally, the adoption of an outreach programme aimed at older people directed them to the agency for benefit assessment. Additional benefit paid as a result of the exercise amounted to £11.9 million. Of this, £5.7 million was paid to those specifically targeted, representing an average weekly benefit of almost £50 per person. The remaining £6.1 million was paid to those who were made aware of State Pension which represented an average weekly benefit of £40 per claim.

Indicators for a sustainable food system: measuring progress of the Food 2030 Strategy – Department for Environment, Food and Rural Affairs (Defra)

The strategy for a sustainable food system, Food 2030, set out what the food industry should look like in 2030 and how it should get there. Essential to delivering this vision and shaping the strategy which seeks to achieve a healthy and sustainable diet from food provided by a resilient and competitive food system, with reduced levels of greenhouse gas emissions and reduced waste, Defra statisticians developed a series of sustainable food indicators that measure progress and provide evidence essential for policy making.

English Inshore Fleet Decommissioning Scheme – Department for Environment, Food and Rural Affairs (Defra)

England's 2,500 inshore fishermen are under pressure because of tight monthly catch limits or quota restrictions. Statistical analyses of vessel activity provided the evidence needed for policy making that informed the decision to implement a targeted decommissioning scheme. Development of a framework ensured value for money and effective assessment of policy. This allowed the UK to keep within its quota limits and the Department to fully implement policy within very tight timescales to meet the constraint of using the available funding within the financial year.

Mitigating the environmental effects of stopping set aside land requirements on farms – Department for Environment, Food and Rural Affairs (Defra)

Changes to the Common Agricultural Policy mean that farmers no longer have to leave a proportion of their arable land uncropped to qualify for subsidies. In order to capture environmental benefits previously delivered by this set-aside land, a voluntary scheme 'the Campaign for the Farmed Environment' has been developed in conjunction with key stakeholders. To assess the impacts of this scheme, various data sources, including existing and new bespoke surveys have been used to provide information on awareness, attitudes and adoption of campaign measures and how these translate to environmental impacts.

Increased or new cross-departmental cooperation

New Statistical Bulletin on Operation of Police Powers under the Terrorism Act – Home Office (HO)

In May 2009, the Home Office introduced a new statistical bulletin providing a single, consistent source of information on terrorism arrests and their outcomes. It combines data from the Crown Prosecution Service, the police and the Home Office. Uses of the bulletin have included the annual Home Office terrorism strategy documents and Lord Carlile's annual report reviewing terrorism legislation.

New more timely quarterly statistics on young people not in education, employment, or training in Wales – Welsh Assembly Government (WAG)

In response to a need for more timely data as the recession developed, the Welsh Assembly Government developed a new series of quarterly statistical outputs bringing together data on young people not in education, employment or training. The new statistical outputs combine presentation of the official, more robust data source (which takes into account administrative and survey data) with rolling 12-month quarterly estimates from the Annual Population Survey and the latest information from Careers Wales. The new output has been based on a similar quarterly briefing produced by the Department for Children, Schools and Families (DCSF).

Six Month Offer Official Statistics – Department for Work and Pensions (DWP)

The 'Sixth Month Offer' provides an enhanced range of measures to support the sixth month unemployed group. Responding to the economic downturn and significant public interest and pressure, DWP produced the Sixth Month Offer Official Statistics. Working closely with the Department for Business, Innovation and Skills and the devolved administrations, statistics were produced from a wide range of sources and departments in an unprecedented time.

UK Food Security Assessment – Department for Environment, Food and Rural Affairs (Defra)

Following a sharp rise in global food prices in 2007 and 2008, a dynamic assessment of UK food security, including global production and markets, UK food chain resilience and consumer access, was developed and published. Collaboration with the Food Standards Agency, HM Treasury, the Department for Transport and the Department of Energy and Climate Change resulted in a detailed analysis of indicators that have been used to provide measured policy responses, based on evidence, to the spike in food prices. The indicators also identified that UK food security is closely linked to global food security and that free and open trade is important if the UK is to be resilient to disruption.

Publication of Local Area Summary Statistics – Welsh Assembly Government (WAG)

Following cooperation with other parts of the public sector, summaries of existing information covering health, education, the economy and other areas have been produced by WAG. The data have been used by the Wales Audit Board, Estyn (the education and training inspectorate for Wales) and the Department for Public Service Improvement (the main body for supporting and leading the change agenda for Wales). The latter organisation uses this information to produce local area profiles which have been used to inform the development of Local Service Boards. The production of this information by a single body demonstrates efficiencies achieved through cooperation and joint working.

User consultation/engagement resulting in change

Tackling childhood obesity through the National Child Measurement Programme for England – National Health Service Information Centre (NHS-IC)

The National Child Measurement Programme (NCMP) is one part of the programme of work to implement the *Healthy Weight, Healthy Lives* strategy, and is overseen by the Department of Health and the Department for Children Schools and Families. Every year children in reception year (ages four and five) and year six (ages 10 and 11) are weighed and measured during the school year as part of this programme. The NCMP provides data for local areas to set goals to tackle child obesity and target services for children to those most in need. Primary Care Trusts can engage with parents and carers by supplying their child's results and offering information, advice and services, which provides an opportunity for families to make lifestyle changes if they choose to.

Development of the 2011 Census questionnaire – Office for National Statistics (ONS)

In 2009/10 ONS completed a comprehensive process of consultation, prioritisation of user requirements and question testing to develop the final questionnaires for the 2011 Census in England and Wales. This thorough and transparent process has resulted in a shared understanding of the questions that have been prioritised as having the strongest user need. Key documents explaining the results of question testing, and how decisions were reached on the final questions, were published on the ONS website throughout these processes.

Developing new early estimates of inactive benefits to help monitor the impact of the recession – Department for Work and Pensions (DWP)

Previous recessions saw increases in the number of people on inactive benefits, with supporting data being produced five to six months after the reference period. New methods were derived that enabled accurate and early estimates of inactive benefit numbers to be produced within six weeks of the reference period. This development, which provided users with more timely and robust data, allowed effective monitoring of a key policy area and ensured that policies were being properly targeted.

Delivering value for money/reducing the burden on data suppliers

Supporting policy on social price support for vulnerable customers – Department of Energy and Climate Change (DECC)

This project involved statistical analyses to inform how best to allocate a fixed amount of money to reduce fuel bills of those most vulnerable to the effects of living in cold homes. By linking data on benefit receipt to fuel poverty data, the project sought to identify the most vulnerable groups, and how to ensure best value for money in allocating the support. It will enable implementation of new policy, retargeting of existing funding and policies, and an expected reduction in expenditure on fuel poverty benefits by targeting support, in the form of reduced energy bills, to the most needy.

Improved information on municipal waste management – Department for Environment, Food and Rural Affairs (Defra)

Detailed data on the waste management activity from all UK local authorities are provided by a web-based collection system. It is a successful collaboration between all four UK countries, which produces more timely, detailed and frequent results, including tonnage of material collected, material type, and disposal method. Data collected are used for setting targets and the subsequent evaluation of a range of policy measures and performance targets on waste and recycling, such as the *Landfill Allowance Trading Scheme* and Local Government Performance Framework Indicators. It reduces the burden on data suppliers by replacing a number of different earlier collection exercises, provides value for money and crosses departments.

Scottish Agricultural Census Project – Scottish Government (SG)

Following requests from users, administrative land use data taken from the Single Farm Payment system was adapted in 2009 to meet key statistical requirements. Through effective linking of data from the June 2008 Agricultural Census, a reduction in data collection was achieved, resulting in a corresponding reduction in the burden on data suppliers. The quality of land use statistics was improved, together with improved knowledge of administrative data sources, and development of cross-departmental relationships. Efficiency savings were also made.

Modernisation of Housing Benefit and Council Tax Benefit data collection and statistics –Department for Work and Pensions (DWP)

Changes in the way Housing Benefit and Council Tax Benefit claims and caseloads were obtained from local authorities resulted in the development of new more efficient electronic capture process. Implementation of the new methods has reduced the burden on DWP and local authorities and provides internal users with a high quality individual level dataset that supports performance monitoring and policy development. It also provides local authorities and the public with improved quality and more regular statistics on Housing and Council Tax Benefits.

3.6 – OTHER KEY ACTIVITIES DURING 2009/10

During the year numerous sets of guidance have been developed to support official statistics producers, with the support of the GSS committee structure:

- *National Statistician's Guidance* on implementing the *Code of Practice for Official Statistics*. The following guidance was published during Autumn 2009:
 - *Presentation and Publication of Official Statistics*;
 - *Use of Administrative or Management Information*;
 - *Confidentiality of Official Statistics*; and
 - *Quality, Methods and Harmonisation*.
- a *Statement of GSS HoPs' Roles and Responsibilities* was developed in the light of the new statistical legislation.
- guidance on *Identifying Official Statistics* was published in February 2010, designed to assist producers of statistics in arms length bodies and their associated HoPs, in deciding whether their products are official statistics, and therefore under the remit of the Code of Practice.

Additionally the Leadership and Revitalisation Project, established in October 2008 to deliver the National Statistician's long-term vision for the GSS, published its report before Dame Karen Dunnell DCB retired in August 2009. The main achievements towards the vision are shown below:

- the *National Statistician's Guidance on the Code of Practice* has been produced, improvements have been made in recruitment of statisticians such as GSS 'badging boards' for

staff working in official statistics, and there is an increased focus on the development of skills and competencies;

- members of the GSS have worked together to develop guidance and practice on data sharing for statistical purposes;
- the self-assessment tool for the assurance of methodology and standards was developed and trailed widely across the GSS, strengthening the focus on quality.

Progress towards the National Statistician's Priorities in 2009/10

Relevant Statistics

GSS HoPs have continued to work with users to meet the most pressing needs where possible, and Statistical Theme Leaders have re-focused their efforts on engaging the broader user communities, with the help of the Royal Statistical Society (RSS).

A number of new statistics have been introduced, and others have been accredited with *National Statistics* status for the first time as a result of the UK Statistics Authority's Assessment Programme.

Standards and Quality

In order to strengthen producers' compliance with the *Code of Practice for Official Statistics*, two GSS taskforces were created in 2009/10:

- *Development of Statistical Policies, Standards and Good Practice on Quality* – encompassing quality management, quality assurance and quality measurement and reporting. The taskforce is due to report by January 2011;
- *Examination of Respondent Burden* – looking at reducing the burden of statistical surveys on respondents,

evaluation of existing data sources and the development of good practice in relation to the Code. The taskforce is due to report in spring 2011.

Accessibility and Impact

Some key work began in 2009/10 to improve the presentation of official statistics and accompanying statistical commentary across the GSS.

- *Development of Statistical First Release Guidance*. Initial work has included assessment of current practice across the GSS which will be developed into published guidance during 2010/11.
- Working with individual departments in response to feedback and requirements from the UK Statistics Authority Assessment process for improvements in this area. This has included changes to statistical releases and improving access for users to data through better linkage and navigation on departmental websites.

Capability

Work to strengthen the GSS includes fast and mainstream recruitment, professional development, maintaining StatNet (the GSS intranet), and holding GSS conferences for both junior statisticians and senior statistical leaders. During 2009/10:

- the *Framework of Statistical Training* was launched, which maps approved training courses to the *Statistician Competence Framework*. The framework helps to bridge the technical gap from university to working in the GSS;
- a review of the *GSS Professional Competence Protocol* was started, with the aim of providing new National Statistician's guidance on professional competence, along with a revision

of the *Statistician Competence Framework*;

- the UK is leading an exercise, as part of a European task force, to pilot a Competence Profile for staff supporting the European Statistical System (ESS). The profile aims to set standards and improve consistency of approach across the ESS. The tool will also be used to help identify and develop future learning activities;
- in conjunction with the Government Office for Science, and other analytical professions, the GSS has been involved for the first time in broadened science and analysis reviews – which seek to assess effectiveness of evidence for policymaking. GSS involvement focused on the use of evidence with the Department of Children, Schools and Families.

Public Profile

During 2009/10 the National Statistician contributed to the UK Statistics Authority's Monitoring Report, *Strengthening User Engagement*. The interim report was published in March 2010, outlining the Authority's thinking on ways of enhancing communication between official statistics producers and users for example, through government statisticians improving communications with journalists and working actively with the Statistics User Forum.

Members of the GSS participated in the production of the Authority's Monitoring Report, *Barriers to Trust in Crime Statistics*. The interim report was published in December 2009 seeking views on proposals including the National Statistician working with the Home Office and the Ministry of Justice to improve the presentation and explanation of crime statistics. A public meeting was held in January 2010 to discuss the proposals

and the final report was published in May 2010. Further information on both Monitoring Reports can be found in Chapter 2.

Regular meetings with the RSS and the Statistics User Forum have been initiated to discuss how statistics meet their needs – both the range of statistics and their accessibility.

The National Statistician encouraged and supported independent statistical press conferences held by the Office for National Statistics and the Home Office on the annual population and annual crime statistics to ensure a focus on the statistics, without any political input.

International Collaboration

During 2009/10 the National Statistician participated in the newly established European Statistical System Committee meetings, as well as the United Nations Statistical Commission, the Organisation for Economic Cooperation and Development (OECD) Committee on Statistics, the United Nations Conference of European Statisticians and the meeting of Directors General Institutes of National Statistics.

Visits were received from a wide range of high profile international organisations including hosting the Director General of the Dutch Statistical Office and the Chief Statistician of Mexico. In addition, the UK hosted visits from statisticians from Libya, Brazil, South Africa, New Zealand, Canada, Croatia, Japan, South Korea, and Romania, in order to share experience and best practice.

Other activities in 2009/10 included:

- helping to manage relationships with Eurostat (the Statistical Office of the European Union) over GSS compliance issues with existing European Union legislation, including the establishment

of roadmaps for the successful delivery of migration statistics and the European system of national and regional accounts;

- working as active consortium partners in two technical cooperation projects in the Balkans and the Mediterranean region aimed at building statistical capacity in the European neighbourhood;
- other GSS international participation and leadership, for example the Department of Energy and Climate Change were part of an International Energy Agency expert group to Russia to assist in the development of data on energy use, with particular interest in monitoring energy usage with a view to focusing on energy efficiency; and
- initial planning in conjunction with the UK Statistics Authority, the GSS including the ONS, and the RSS, on the celebration of *World Statistics Day* on 20 October 2010.

Assessment and Compliance

The UK Statistics Authority's formal Assessment Programme was launched during 2009/10. To date, the Assessment Programme has confirmed the designation as *National Statistics* of over 160 sets of official statistics, albeit conditional on the producers of those statistics making some essential changes to strengthen compliance with the Code of Practice.

Recurring themes are: ensuring effective user engagement including knowledge of uses beyond policy making; ensuring commentary in statistical releases is appropriate for non-specialist users, and compliance with the protocol on release practices. This reflects the fact that the new Code introduced more challenging standards in these areas than previously. The strongest areas of compliance

have been in maintaining integrity, in ensuring that public interest prevails over organisational, political or personal interests; in ensuring proportionate burden on data suppliers relative to the benefits arising from use of the statistics; and in securing adequate and efficiently used resources.

The National Statistician is assisting in meeting these requirements through setting up fora to share best practice and develop guidance, including the use of GSS taskforces, and working with the Authority to develop guidance for producers.

Use of Technology

The data.gov.uk initiative, as part of the UK 'Make public data public' project, represented a clear shift towards making data available online to enable users to make more efficient use of data, including linking with other datasets. The GSS contributed by making the content of the central Publication Hub website accessible via data.gov.uk and will be furthering its involvement by increasing data availability via this route.

The creation of a directory of public data at data.gov.uk is just the beginning. Other initiatives such as the semantic web will be more ambitious – representing public datasets in linked data form. The semantic web will *'provide a common framework which allows data to be shared and reused across applications, enterprises, and community boundaries'*, and will transform the way users see and navigate the interconnected world of data. The GSS will continue to contribute to the ongoing development of data.gov.uk and other innovative developments in web dissemination.

Management of Statistical Risk across the GSS

During 2009/10 the National Statistician has initiated a strengthening of the current arrangements for managing cross-cutting statistical risks through plans for increased monitoring, and regular reporting on high level risks to the UK Statistics Authority Committee for Official Statistics.

The high level cross-cutting statistical risks for the GSS have been categorised according to their likely impact on one of the following key business objectives:

- operational viability – the ability to sustain a dedicated and productive workforce and deliver business as usual;
- meeting stakeholders' needs – the ability to deliver statistics that meet the needs of stakeholders, now and in the future; and
- reinforcing and improving public trust and confidence – the ability to deliver statistics that maintain and enhance the public legitimacy of the statistical system.

Some of the risks for the GSS as a whole relate to:

- resources – sufficient resources to enable the right number of staff to be employed with the appropriate skills, in order to maintain consistent professional standards;
- implementation of the statistical legislation – for example tighter timing restrictions on pre-release access may lead to difficulties in relationships between GSS staff and other officials;
- harmonisation of official statistics – different approaches by UK Government and the devolved administrations may undermine harmonisation;

- the challenge of influencing non-statistical senior officials and policy colleagues – for example GSS HoPs need to influence use of statistics and successfully promote professional standards, to avoid incorrect decisions through uninformed use of official statistics; and
- managing changing priorities – for example due to new requests for statistical information and outputs that will meet the wide range of user needs.

3.7 – GSS CHALLENGES AND OPPORTUNITIES FOR INNOVATION

Statistics Matter outlined the National Statistician's views on the challenges and priorities facing the GSS and the key drivers behind them. The GSS must use the opportunities presented by the *Statistics and Registration Service Act 2007*, and exploit current and new innovation and technologies.

There are a number of key areas that will provide the GSS with the greatest opportunities to meet the increasing demands for reliable statistics. These are:

- making use of existing data sources – both within departments and by using provisions within the 2007 Act and existing legislation, to share data across departmental boundaries;
- increasing the use of administrative data – to increase timeliness, and reduce survey costs and respondent burden;
- finding greater coherence in UK survey activity – by looking across departmental boundaries and with external producers, to reduce overlap, costs and related respondent burden;

- analysing the data we hold – to add value through secondary analysis;
- increasing use of Internet data collection – to reduce costs, improve timeliness and respondent burden;
- producing better documentation on the methods and quality of statistical outputs – to help improve interpretation and understanding;
- improving the user experience – enhancing access to data, for example via improved self-service capability, and initiatives such as data.gov.uk;
- coordinating understanding of user needs – so that when making trade-offs in priorities we make best value for money choices;
- improving coherence and transparency of planning and prioritisation – to ensure a common understanding of statistical demands and priorities; and
- learning from experience – better sharing of best practice across the UK statistical community (including outside of government), and internationally.

User needs in some areas are already well known, for example in monitoring change in the current economic climate, household debt, individual and societal well-being, and migration. During 2009/10 the National Statistician set Statistical Theme Leaders the challenge of horizon scanning, and engaging with users both inside and outside government, to establish needs and priorities.

The GSS Looking Ahead

Examples follow of some of the innovative projects already planned or underway within the GSS.

Consistent information on the UK housing market

The need for more regular and consistent housing market statistics has grown

given the current economic recession. At present a range of house price indices exist produced by the Department for Communities and Local Government, the Land Registry, Halifax and Nationwide, with different coverage and methods. Following a recommendation by the UK Statistics Authority, a cross-government group was established towards the end of 2009/10 to look at the issues affecting this sector of the economy.

Generation of electricity from renewable sources – Department of Energy and Climate Change (DECC)

During 2009, DECC increased the frequency of data produced on electricity generation from renewable energy sources, notably wind generation, and, for the first time, presented data on bio-fuel use for transport. Further work is underway to measure how growth in heat production and micro-electricity generation will respond to the implementation of new policies over the next 18 months.

Energy efficiency and energy use – Department of Energy and Climate Change (DECC)

There is increasing demand for more detailed information on domestic and non-domestic energy use, and energy efficiency data to help inform and develop policy. Work is underway in DECC to support this, including inter-disciplinary work with the Government Economic Service in the development of a *National Energy Efficiency Data Framework*, and with the International Energy Authority and Eurostat to develop appropriate methodologies and indicators. Many of the recent enhancements of the UK data rely on DECC's use of administrative data collected by the gas and electricity industry, ensuring that new analysis can be produced without imposing additional burdens on data suppliers.

Improving efficiency of data collection arrangements – Office for National Statistics (ONS)

During 2009/10 ONS has developed a data collection strategy for business and household surveys which considers the best way to meet user needs in the light of changes in the economy and society.

The strategy is being taken forward in four ways:

- development of cheaper modes of data collection – principally telephone and Internet data collection;
- use of administrative data;
- rationalisation of surveys; and
- development of new systems.

Success will lead to a reduced burden on businesses and households, and efficiencies within ONS.

Progress towards a new ONS website – Office for National Statistics (ONS)

ONS is on track to deliver a new website in early 2011. The new website will deliver a number of improvements and enhanced functionality, including improved search and navigation, compliance with accessibility standards, and the timely release of outputs. In addition the architectural solution will open up access to data and provide the potential for a wider joined-up web strategy. For more information, see Chapter 4.

Deprivation in small areas in Wales – Welsh Assembly Government (WAG)

The *Welsh Index of Multiple Deprivation* (WIMD) is the official measure of deprivation for small areas in Wales. A public consultation carried out in 2009 included proposals for an interim update using the same indicators but new data, a multiple deprivation index for older people, and more detailed analysis of annual indicator data. WAG anticipate that results from the consultation will lead

to improved planning, better use of the underlying data and more focus on users' priorities. A major update of the WIMD is planned for 2013 which will allow 2011 Census data to be used, as well as taking account of any boundary changes to the small geographical areas used for the index.

Commissioning Information for Community Services (CICS) Project – NHS Information Centre for Health and Social Care

Community services currently account for approximately 14 per cent of NHS expenditure and 20 per cent of its workforce and yet there is currently little data held centrally which would help to understand how that money is being spent. In order to support the transformation of these services and to help to monitor the provision of care and treatment to people in their own homes, it is important to better understand the data requirements and information flows. In future, this will also support better targeting of resources.

The CICS Project is intended to contribute to the quality framework for community services, which is being designed to reflect current challenges. It will support the development of a range of measures that will improve reporting on the volumes, costs and outcomes of services provided, and the identification of options to improve productivity and efficiency.



Mr Stephen Penneck

Chapter 4

Office for National Statistics Annual Report

4.1 – DIRECTOR GENERAL'S INTRODUCTION

During 2009/10 the Office for National Statistics (ONS) continued to publish our statistical outputs, while significantly improving some of our key statistics, progressing with some major projects and beginning a Change Journey which led to a new vision for ONS.

A total of 285 statistical releases were published during the year and these were supplemented by 140 analytical reports and articles in our key publications. Our users continue to rely on a wide range of ONS statistics and last year saw some important improvements. Keeping our statistics relevant to a changing economy and society continues to pose challenges.

New surveys on adult dental health and life opportunities were launched. An updated Standard Industrial Classification was introduced into business surveys, giving more recognition to the service industries. The *Average Weekly Earnings Index* – a better measure of monthly earnings growth – completed its development by being accredited as a *National Statistic*. Our new *Business Register and Employment Survey* – replacing two previous surveys – is now in the field. And improved migration statistics are now available from the redeveloped *International Passenger Survey*.

A number of statistical projects moved forward well. Our project to improve the systems that deliver the National

Accounts is on track for publishing *Blue Book 2011*. The infrastructure used to support this development has led to benefits elsewhere in ONS, specifically improvements to our workforce jobs statistics. Using our proven infrastructure will continue as part of our wider strategy. Our first Internet-based business survey, on capital expenditure, went live – a model for other surveys.

The Census team actively engaged with local communities. Nearly all our major contracts are now let and the Census rehearsal showed our good state of readiness for Census 2011. The work to develop a modern ONS website is also forging strongly ahead to deliver early in 2011.

Across the Office we are making good progress towards making our information technology (IT) estate fit for the future. Our record on the sustainability of our buildings is one of the best in government. Similarly, our financial planning has improved, providing more certainty for the business. We have also substantially reduced the number of days lost through staff sickness.

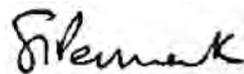
We are working more actively with the media to explain our statistics and support the National Statistician. We worked hard to ensure our statistics measured the recession as accurately as possible and that our explanations of the statistics were clear.

ONS is recognised for the independence and impartiality of the statistics it provides, as is evidenced by the good feedback we have received from users and through peer review of our statistical methods. We are also trusted for the confidentiality and integrity of our data holdings. ONS has developed disclosure control techniques used widely in the Government Statistical Service (GSS), has

a strong culture of protecting personal data and has had no losses of personal data.

So in all aspects of the Office's activities there have been achievements in which we all take pride. We have also overcome some difficulties. 2009/10 was the third year of our financial settlement which reduced our spend by 5 per cent each year and in each of those years the challenge for efficiency and to meet rising customer expectations has been more difficult. We have a continuing need to upgrade our infrastructure within the resources we have. We recognised through our *People Survey* the need to improve internal communications, staff engagement and focus on innovation. The Change Journey project initiated in September 2009 recognised that the Office continually needs to change and that the levers for change are for us all to use.

When I took up post in November 2009, I wanted to build on the change journey that had begun. It seemed to me that giving ONS a clear sense of purpose was my most immediate priority. I have worked with staff to develop a new vision: '*ONS – where people come first for trusted statistics*'. It is a statement of the commitment I am making to focus on the needs of our users and translate the value I am looking to deliver over the next few years into positive user feedback.



Stephen Penneck
Director General, Office for
National Statistics
July 2010

4.2 – ONS MISSION, VISION AND VALUES

Mission

'Trusted statistics – Understanding the UK' is ONS's mission statement. It sums up ONS's role in the UK statistical system; what it is ONS does and what ONS has to offer.

Vision

'ONS – where people come first for trusted statistics'

Users value ONS statistics, analysis and advice to drive their decisions, and meet their priorities.

Values

ONS embodies the Civil Service core values of integrity, honesty, objectivity and impartiality and also needs a set of values, alongside the vision, to describe the guiding principles that shape behaviour. While the vision describes 'what' ONS will do, the values describe 'how': how ONS will go about its business and how ONS lives the vision.

Our values are that ONS staff should:

- RESPECT each other;
- WORK TOGETHER to make a difference;
- BE PROUD of what ONS does; and
- Always want to DO BETTER.

4.3 – ORGANISATION

The UK Statistics Authority ONS Board, chaired by Lord Rowe-Beddoe, the Authority's Deputy Chair with responsibility for ONS, oversees ONS's strategy and priorities and monitors the ONS budget and work programme. More details and a list of members can be found in Chapter 1.

The structure of ONS changed with the appointment of Jil Matheson as National Statistician in September 2009, who remains the Principal Accounting Officer for ONS. Day-to-day management of ONS is delegated to Stephen Penneck as Director General who in turn is supported by seven directors.

The seven directors and the Director General form the ONS senior management team, who meet monthly as the Executive Committee (EC). The EC also meet regularly in a workshop environment where collaborative thinking and policy development of cross-office issues takes place. It considers and debates the major strategic issues for ONS, taking decisions as a committee.

The EC has established sub-committees to support it in its work. The new vision has led the EC to amend these sub-committees slightly. At the end of 2009/10 these were:

- the Investment and Planning Committee, chaired by Stephen Penneck – leads on planning and prioritisation for ONS, deciding and monitoring allocation of resources and managing the strategic portfolio of ONS programmes and projects;
- the People Committee, chaired by Steve Newman – considers issues relating to the management and well-being of ONS's staff;
- the Statistical Policy Committee, chaired by Stephen Penneck – develops the statistical policies and standards which enable ONS to maintain its statistical leadership;
- the Statistical Planning Committee, chaired by Dennis Roberts – ensures the high-level planning and production of the statistical aspects of the ONS Business Plan;

Office for National Statistics organisation structure in 2009/10

Director General



Mr Stephen Penneck

Divisional Directors



Mr Joe Grice



Mr Dennis Roberts



Mr Guy Goodwin



Mr Glen Watson



Mr Steve Newman



Mr Paul Woobey

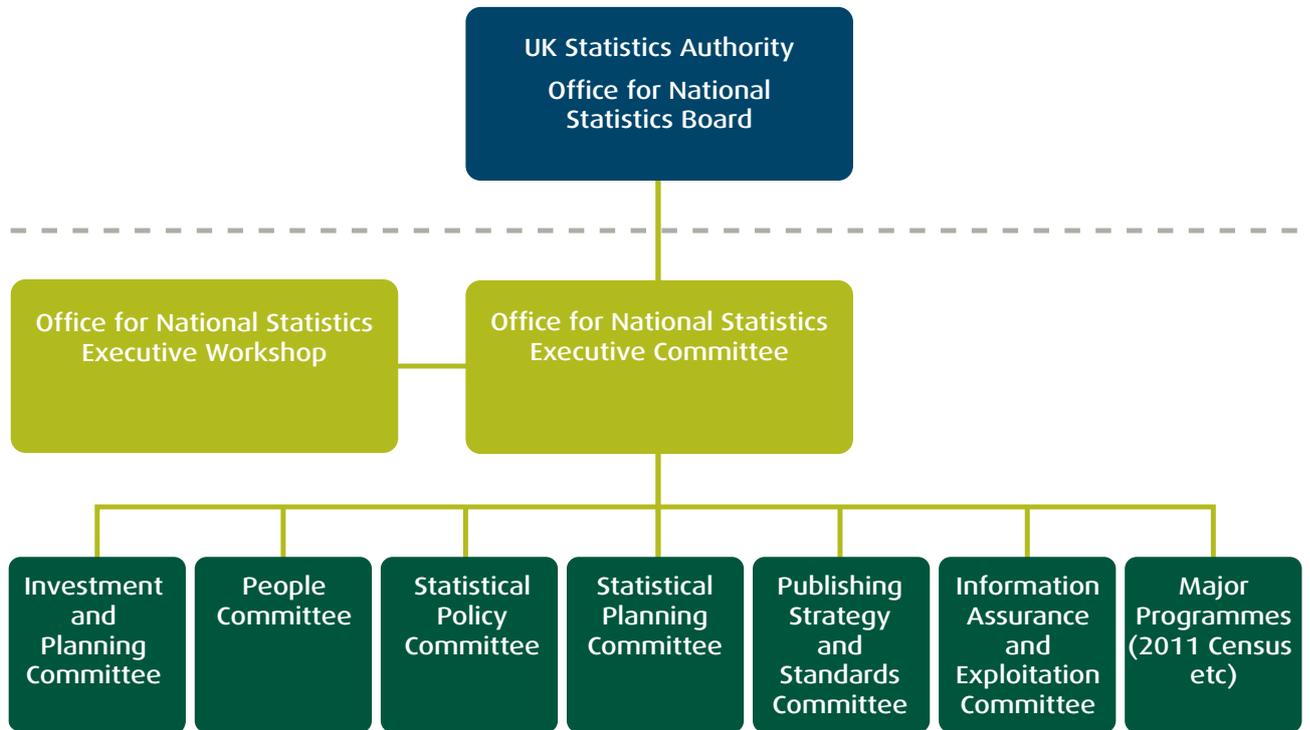


Mr Frank Nolan

- the Publishing Strategy and Standards Committee, chaired by Guy Goodwin – aligns ONS publishing objectives with the corporate vision; and
- the Information, Assurance and Exploitation Committee, chaired by Glen Watson as ONS's Senior Information Risk Owner (SIRO) brings

together information asset owners from across ONS to provide assurance to the SIRO that ONS is compliant with Cabinet Office requirements. It also ensures that a consistent approach to managing information is being taken and to place the exploitation of information within the security policies of the Office.

Office for National Statistics Organisation Structure



4.4 – CORPORATE SCORECARD

The EC uses a corporate scorecard to monitor office-wide performance against its vision and strategic aims. The scorecard is made up of:

- a high-level view of progress towards each of the ONS strategic aims (the quadrants); and
- details of progress on major programmes and projects.

Looking ahead to the forthcoming year, the corporate scorecard will be refreshed to reflect the five strategic aims and their associated key performance indicators and measures. These measures will be monitored and changed during the year to reflect achievements. The corporate scorecard will be presented each quarter to the EC and the ONS Board to inform decision and debate, and will use a traffic-light system to indicate progress towards the strategic aims.

4.5 ONS AT A GLANCE – FACTS AND FIGURES (2009/10)

Inputs

2,575 staff in our Newport, Titchfield and London offices as well as 788 field force interviewers around the country.

1.2 million questionnaires from businesses processed.

546 thousand questionnaires from households/ individuals processed.

£238 million budget (including £39 million for the Census).



Outputs

285 statistical releases and 140 analytical reports and articles in our key publications, including:

- National Accounts – including Gross Domestic Product, Balance of Payments and other economic statistics;
- Measures of inflation;
- Population and migration statistics;
- Labour market statistics;
- Health, social and vital statistics;
- Regional statistics; and
- Public sector finances and public services productivity.

Over 8.5 million website visits (excluding the Publication Hub)



Outcomes

The work of ONS helps lead to informed decisions by:

- Parliament and the devolved administrations
- the Government
- the European Union
- local government
- businesses; and
- individuals.



Trusted Statistics – Understanding the UK

4.6 – ONS ACHIEVEMENTS

ONS Achievements in 2009/10

The *2007 Comprehensive Spending Review* settlement provided funding until the end of the financial year 2011/12. It included funding for:

- the UK Statistics Authority and a central Publication Hub website that brings together statistical information about releases from across the GSS;
- a census for 2011 with a full range of improvements to quality and coverage;
- looking beyond 2011, consideration of an alternative to a traditional census that still meets basic users needs;
- maintaining and developing high quality statistics, which reflect the government's and users' priorities, including improvements to regional statistics and the new *Business Register Employment Survey*;
- the implementation of recommendations from the Inter-departmental Taskforce on Migration Statistics; and
- improvements to service sector statistics.

2009/10 was the third year of the five year *Spending Review* settlement which required 5 per cent efficiency savings each year. This challenge has proved more difficult each year. Early in 2009/10, to assist with budgeting for 2010/11, ONS initiated a series of peer review efficiency challenges where directors spent time scrutinising their colleagues' budgets. This yielded nearly £9 million per annum of additional savings.

This efficiency challenge has meant that ONS has had to maintain a strong focus on value for money to free up resources for reallocation to key priorities.

Statistics

Each year ONS produces 285 unique and high quality statistical releases, covering a wide range of economic and social issues. These include:

- the National Accounts – including Gross Domestic Product (GDP), Balance of Payments and other economic statistics;
- measures of inflation;
- population and migration statistics;
- labour market statistics;
- health, social and vital statistics;
- regional statistics; and
- public sector finances and public services productivity.

These are sourced from business and social surveys, administrative sources and from the 10-yearly Census for England and Wales (which underpins the allocation of more than £100 billion of public spending).

The following sets of statistics had their designation as *National Statistics* confirmed, conditional on the implementation of requirements for change in each case following the UK Statistics Authority Assessment process:

- *Migration Statistics*;
- *Wealth in Great Britain*;
- *Average Weekly Earnings*;
- *Producer Price Indices*;
- *Services Producer Price Indices*;
- *Labour Market Statistics*.
- *Balance of Payments*; and
- *Overseas Travel and Tourism*.

Improvements

ONS has delivered a range of improvements in statistics and service for users in 2009/10. It has:

- introduced new methods and systems for the production of the National Accounts, and will continue to deliver improvements in the next few years. Users were heavily involved in the design of these new systems;
- completed initial work as part of a jointly funded programme (with the Department for Communities and Local Government, the Home Office, the Department for Health, HM Treasury and the Bank of England) to improve migration statistics;
- progressed the 2011 Census which is at the heart of statistical planning for the next two years. ONS completed a Census test and dress rehearsal in May 2007 and October 2009 respectively, engaged extensively with users representing a wide range of interests and with Parliament, and completed most of the major procurements. Emerging issues are feeding into future design plans;
- introduced a longitudinal *Business Register and Employment Survey* to improve the quality of regional statistics;
- followed up the *Atkinson Review* by continuing a joint programme of work with other government departments to produce regular assessments of public services output and productivity. ONS is regarded as leading the world in this agenda; and
- followed up the *Equalities Measurement Framework Review*, at the request of the Prime Minister, with a vigorous programme of work with the Cabinet Office, Government Equalities Office and other government departments to progressively fill out the gaps in the framework and to produce regular analysis on the dimensions of inequality in the UK.

ONS has made a range of improvements in its infrastructure and has:

- developed an ONS Corporate IT Strategy and reduced the proportion of the IT estate assessed at exposing a high risk to ONS to 25 per cent (from 42 per cent in December 2008), and has set up a Design Authority to determine the design of statistical and non-statistical systems, processes, tools and methods;
- undergone a process of rationalisation of ONS IT applications, taking us from over 3,000 applications to approximately 600;
- implemented the Telephone Data Entry and Secure Electronic File Transfer systems to collect business survey data more efficiently;
- installed a Voice over Internet Protocol telephone system to reduce the risk of telephone system failure and to enable flexible working across ONS sites; and
- contributed in January 2010 to the Government's initiative data.gov.uk, a single easy-to-use website to access public data, by providing an automatic link through to our Publication Hub website.

In the way it works, ONS has:

- successfully relocated 599 posts from London to Newport and Titchfield as a result of the *Lyons Review*. Relocation is nearly complete and ONS has managed this at minimum cost, while maintaining the range and quality of existing outputs;
- remained on target to cut the cost to businesses of responding to economic surveys by nearly 20 per cent in 2010, in accordance with targets agreed with the Government and common across the European Union (EU);

- improved financial planning and continued to retain *Investors In People* accreditation;
- achieved this at a time of financial restraint and 5 per cent annual reduction in the budget following the last *Comprehensive Spending Review*; and
- become one of the strongest performers across government in reducing the amount of waste produced and in increasing the amount of waste that is recycled, and has achieved a reduction in CO₂ emissions from ONS offices that is ahead of the targets set by the Government.

Budget reductions have put pressure on the quality of ONS statistics. The Office has had less time to quality assure and analyse statistical outputs. So far ONS has managed the resulting risks, but in the future may need to consider delaying publication of some key outputs to avoid undue risk. Also, there are some areas of EU statistical legislation where ONS is not fully compliant and work is being taken forward to rectify this.

ONS has worked to improve the quality of its publications. The Office has focused on minimising minor errors in web publications, while recognising that more needs to be done to eliminate these problems. ONS has also begun a programme of work to improve the readability of statistical publications, which will continue in the coming year.

National Accounts Classification

The classification of organisations to institutional sectors and economic transactions between these sectors is an integral part in the production of the UK National Accounts. Most classification decisions are routine, although some have wider significance and are of public interest, primarily when they have

implications for the fiscal aggregates. Such decisions are taken by the National Accounts Classification Committee following a well established procedure published as part of the *Protocol on Statistical Integration and Classification*.

The main classification decisions announced in the year related to a range of Government and Bank of England interventions in response to the financial crisis. An ONS article on the statistical treatment of these schemes was published on 6 November 2009 following the conclusion of international discussions convened to ensure a coherent and consistent approach by EU member states.

Among the other classification decisions taken in 2009/10 were:

- Partnerships UK reclassified from a Private Non-financial Corporation to a Public Corporation as a result of the reclassification of Royal Bank of Scotland to the Public Sector;
- East Coast Mainline Ltd – a new Public Corporation formed to operate the London-Edinburgh railway services; and
- the Asset Protection Agency, a new central government body formed to provide additional government support for the UK financial system.

Further information on the ONS National Accounts Classifications process and major decisions can be found on the ONS website at: www.statistics.gov.uk/nacc.

4.7 – MAJOR PROGRAMMES AND PROJECTS

In 2009/10 ONS successfully progressed a number of major programmes and projects that will help deliver its overall strategy and vision. These will also help to raise the profile of official statistics nationwide.

2011 Census

The next Census on 27 March 2011 will help to inform the decision making for more than £100 billion of public spending a year. In a year of continued planning and preparation, the main highlights were:

- a full rehearsal of 135,000 households in Lancaster, Newham and Ynys Mon (Isle of Anglesey) in October 2009, with an additional small scale test in Birmingham. The new online questionnaire, help centre and questionnaire tracking system worked well. The rehearsal also provided the opportunity to practise the follow up activities designed to help and encourage the public and increase response rates;
- the challenge of maintaining high response rates in the context of falling response rates generally. Lessons learned from the rehearsal are being implemented quickly as the operational phase for the Census itself begins, with the first wave of recruitment of address checkers taking place in January 2010, and additional phases following in March and September; and
- the secondary legislation required to carry out the Census progressed through the Houses of Parliament, with the Census Order made on 9 December, and the Census Regulations laid in March.

Engagement with stakeholders continued with regular Census user advisory groups, a series of 10 regional events for local authorities held in spring 2009 and again in February 2010, an outputs consultation roadshow at a series of regional venues in October 2009 and a similar coverage and adjustment roadshow in December 2009. Engagement with local authorities, community groups and the media is underpinned by the Census website launched in September 2009, with a range of support materials and engagement tools.

There has been a great deal of political interest in the Census and in developments on migration statistics. ONS has encouraged an open debate on these topics and tried to ensure that opinion leaders know the benefits from statistical improvement and what support is needed to accomplish this.

Information Management – Transformation

In addition to the important improvements to the infrastructure already highlighted above, ONS saw continued success in implementing its Corporate IT Strategy. Some of the highlights include:

- further improved resilience of data storage by moving ONS systems from the Cardiff Bay datacentre to new datacentres in Slough and London Docklands;
- achievement of the government security standard for Code of Connection, tested and improved firewall security, started a major upgrade to the wide area network encryption, made recommendations to improve voice security and removed some 60 per cent of the old Windows NT server estate;

- establishment of the first formal 'platform' approach to the development of new technology and services within the Office. The *Common Architecture for Statistical Processing and Analysis* provides a common approach for all non-aggregated data applications and underpins the latest developments of the *International Passenger Survey*, *Sub National Population Projections*, *Labour Force Survey* and *International Migration Survey*; and
- being on target to reduce the number of high risk IT systems from 45 per cent of the IT estate to 5 per cent by January 2014.

However, ONS recognises that vulnerabilities still exist in its IT infrastructure. Our plans continue to be reviewed, for example to respond to the latest security assessment. Plans are realistic and achievable and risks are being reduced as resources allow.

ONS also recognises the need to work harder at business analysis, at producing good business cases more quickly and at contract management, and the need to develop in areas where ONS does not have sufficient capability. ONS has established a new Project, Programme, and Portfolio Management community to take this forward.

Web Development

The Web Development Programme will develop a new ONS website and supporting systems. It replaces the i-Dissemination Programme which developed the Publication Hub and carried out some of the early analysis and design work. The following significant steps have been made during 2009/10:

- the new refocused programme was launched;
- business requirements and website designs have been agreed;
- website designs have been successfully tested on users;
- the architectural solution has been agreed and independently assured;
- a roadmap has been agreed that will deliver the new website and supporting systems in a series of functional releases; and
- work has begun on developing the front-end web pages.

Looking ahead to the forthcoming year, key milestones for 2010/11 include the:

- creation of an internal version of the website to enable migration of existing content to begin (July 2010); and
- launch of the new ONS website (January/March 2011).

Migration

Migration statistics are rarely out of the news and are of huge interest to the public. The Migration Statistics Improvement Programme led by ONS is progressing according to plan, ensuring that users have relevant, timely, and accessible migration statistics based on the best available sources and methods.

The last year (the second year of the programme) has seen:

- a package of improvements to migration statistics – making use of timely administrative data sources, improving the coverage of international migration survey sources and implementing innovative statistical methods to improve the distribution of migration estimates;
- extensive user engagement – the vision is for users of migration and population statistics to be highly engaged in the development of improved estimates with information

that is relevant to them. The ONS Centre for Demography has worked hard on communicating with users throughout the year in seminar roadshows, meetings and provision of regular updates on the migration web pages of the ONS website. It has sought views and feedback on the package of improvements throughout the development;

- improved reporting – 2009/10 has seen a full cycle of quarterly reports and the publication of *Migration Statistics 2008* (the new annual report on migration statistics) on 26 November 2009. The quarterly and annual reports provide a full picture of migration by bringing together data from across government departments on a regular basis, with additional background information helping users understand how the data can be used to inform their own work and knowledge. ONS also developed a migration indicators suite, first released in May 2009 and updated in August 2009, which helps provide an early view of the latest migrant flow and stock figures together with various related demographic information; and
- advances in data sharing – access to data from the Department for Children, Schools and Families, Higher Education Student Agency and the Department for Work and Pensions was gained through legal gateways. Methods have been developed to incorporate this data into statistical models to help obtain a more accurate picture of long-term and short-term migration flows into and within England and Wales; current work is moving forward linking the data within these methods.

Looking ahead to the forthcoming year, the programme is moving into its second

phase with a focus on improving the regional distribution of migrants, making full use of administrative sources and working with the 2011 Census.

National Accounts – Modernisation and Relocation

The National Accounts provide crucial insights into developments in the UK economy. They include key outputs such as GDP and the Balance of Payments.

Improvements to the systems used to produce the National Accounts and linked economic statistics have continued, with a refocused programme (known as ENABLE – Effective National Accounts and Blue Book to Measure the Economy) aiming to develop new systems for use in quarterly and annual National Accounts from September 2011, including a shift to a new international industrial classification required from that date.

The refocused ENABLE Programme has a tighter scope than previous ambitions to modernise National Accounts, following established good practice in public service change programmes, to ensure clear objectives are set and delivered. The programme is working on over 60 separate systems. Key users were consulted on the revised objectives and other key decisions about the extent of detailed breakdown (by industry and product) within National Accounts reports.

In May 2009 internal auditors recognised the strengths of these programme management approaches and recorded the ENABLE Programme as ‘well controlled’. Learning is being shared with other programmes, with the same approach to business engagement now being used for the Web Development Programme, so that all areas of ONS plan for migration, testing and training, alongside regular work to put statistics

onto the current website. These approaches also ensure wide ownership of business benefits so that new systems are used effectively.

The benefits expected are:

- better quality National Accounts, in that adjustments between different data sets, when required, are made with more transparency;
- being better placed to meet international requirements on National Accounts, including mandatory changes in methods;
- more transparent systems, enabling staff to spend less time on mechanical manipulations and processing and thus to have more time for addressing issues on data quality and coherence;
- less risk and more efficiency in the way different sets of figures are combined in a complex process leading up to the full set of National Accounts; and
- progress in using the Central ONS Repository for Data as a corporate database for ONS – within National Accounts and more widely, staff use generic techniques (thus reducing training requirements) and there is more flexibility in staff movement.

ONS has continued to relocate work to Newport, including moves during 2009/10 of many of the posts for National Accounts and this will largely be complete by July 2010. Knowledge transfer, improvements to documentation and training of new staff have been key parts of relocation. As teams grow in experience, there are often opportunities to review roles and working procedures.

Talent and Skills

The Talent & Skills Programme is at the heart of ONS's Change Journey. It aims to equip ONS with the skills the business needs for the future, enhancing

individual performance and organisational capability, shaping behaviour and culture, and helping build a high performing statistical business. In doing so, it ensures the programme supports the priorities of the Office and enables managers to perform their role effectively.

Some achievements to date are:

- a secondment and interchange policy and process has been defined and implemented;
- a succession planning policy and process has been defined and implemented at Senior Civil Service (SCS) and Grade 6 level initially;
- a skills audit of senior staff has been conducted; and
- a coaching pilot has been conducted within part of ONS. Evaluation of this pilot is currently underway.

As the ONS Relocation Programme draws to an end, the Office is conscious of the considerable success achieved. ONS has recruited good people but needs to continue to invest in their skills to build up a body of in-depth statistical knowledge and expertise for the future.

ONS recognises that it continues to employ too many contractors and needs to continue to develop in-house skills where it is appropriate and sustainable.

4.8 – RISK MANAGEMENT

ONS has a sound risk management framework in place which was acknowledged by Internal Audit and the Audit Committee. ONS recognised however that measuring the possible impact of risk and approach for determining the risk appetite across the strategic aims could be further improved. A review of the ONS approach to risk management was carried out late in the

year and minor changes to the framework will be implemented in 2010/11, starting with a series of risk workshops early in the year.

4.9 – STAKEHOLDER ASSESSMENT

ONS has received the following feedback from key stakeholders for 2009/10.

Bank of England

“Reflecting the views of the Monetary Policy Committee (MPC), the Bank of England regards the ONS’s performance in 2009/10 as satisfactory. While performance in many areas has been good, the MPC continues to see room for improvement in the area of National Accounts. ONS staff have continued to be of great assistance via a wide range of working-level contacts. There have been a number of successes, including the minimal disruption from the move of the National Accounts team to Newport, the adoption of new IT systems for the National Accounts, analysis of the VAT effect on CPI and the transition to Average Weekly Earnings. But the MPC had some concerns. It continues to be the case that early estimates of GDP are more uncertain than they might be if balanced as early as possible using up-to-date weights. The MPC would also have appreciated a clearer indication about how to interpret the apparent inconsistency between measures of consumption and retail sales.

Looking forward, the MPC places highest priority on improving the quality of the National Accounts. That would include the delivery of an integrated system in time for the 2011 Blue Book, the publication of more up-to-date analytical Input-Output tables and potentially a move to quarterly balancing of the National Accounts. The

MPC also welcomes plans for the ONS to continue work on incorporating owner-occupied housing costs in the consumer prices index. The Bank would appreciate work assessing the feasibility of publishing enhanced data on the UK flow of funds, and on output data broken down by firm size.

Bank staff place a high value on the working relationships they enjoy with ONS staff, who have continued to be of great assistance to us. We recognise that ONS has delivered many changes that we have asked for including: exploring how to improve measures of financial services output; increased attention to the monthly profile of output estimates and forecasts of missing data; requests for extra information on prices; and filling in many of the gaps in labour market data.

National Accounts

There have been some positive developments this year. The Bank continues to judge that GDP estimates have given an accurate description of the broad trends in the economy. The MPC had had concerns about the potential disruption of the relocation of many National Accounts functions to Newport. But the relocation appears to have gone well, and the 2009 Blue Book went reasonably smoothly. The ENABLE project looks to be broadly on track to deliver a fully integrated computer system for production of the National Accounts for the 2011 Blue Book.

Nevertheless, in the MPC’s view, there continue to be significant shortcomings in the production of the National Accounts. It takes several years before the output data are properly reconciled with expenditure and income data. Base years for weights are several years out of date. Some deflators are still not chain-linked on an annual basis. This all means that

initial GDP estimates are more uncertain than they need to be. An associated risk is that early estimates of GDP could have been distorted by large changes in intermediate consumption during the recession.

The ONS is considering moving to quarterly balancing of the National Accounts which would increase the accuracy of early estimates of GDP, making them less prone to revision. The MPC would place a high value on that. The MPC would also value any other reforms that mean that revisions are made as early as possible, and remains concerned that there are still no concrete plans to chain-link all of the deflators. The Bank continues to be frustrated that the most up-to-date analytical Input-Output tables refer to the year 1995 and welcomes the ONS's commitment to produce tables in 2011 for the year 2005.

One issue that particularly concerned the MPC this year was the significant gap between the estimated growth of retail sales and of household spending on goods. For example, if consumer goods spending had grown in line with retail sales through 2009, the level of overall consumption would have been around 1.5 per cent higher in 2009 Q4 than currently estimated. The MPC requested some clarification from the ONS on how best to interpret the difference between retail sales and consumption. The ONS has presented some analysis to the Bank, but the issue has not yet been clearly resolved. In general, the MPC would like the ONS to be more active in helping users interpret the data when there appear to be inconsistencies between different measures.

Looking forward, the MPC places the highest priority on improving the quality of the National Accounts. The Bank would

also welcome work on the feasibility of producing 'flow of funds' data of similar quality to the United States and of indicating the trends in output for different-sized firms.

Prices

The production of price estimates has continued to go smoothly. We fully support the modernisation of computer systems for consumer prices. The ONS and the Bank worked well together in going through the process of implementing change to RPI. ONS analysis of VAT changes was very helpful. We welcome the plans for improvement to the measure of services prices. There are a few areas where the Bank sees room for further improvement. First, that the ONS continues to make progress on developing and assessing measures of owner-occupied housing, including a rental equivalent measure and a user cost measure. Second, that changes to the CPI, such as the changes to the measure of clothing and footwear introduced in February, are flagged as early as possible. And finally, we would welcome further analysis of the wedge between the CPI and the consumption deflator. The Bank recognises the value of the Consumer Prices Advisory Committee (CPAC) but is concerned that it does not substitute for detailed dialogue between the ONS, HM Treasury and the Bank on price measurement issues.

Labour Market

The MPC welcomes the production of more timely estimates of migration. The transition from the AEI measure of earnings to the AWE measure appears to have gone smoothly. The Bank recognises that the ONS has been extremely helpful in carrying out various requests and suggestions.

Concluding remarks

The ONS has been asked to deliver significant cost savings. This will inevitably mean that fewer resources will be devoted to measuring the economy. The Bank welcomes the ONS's efforts to re-engineer its data collection processes in an attempt to reduce cost without affecting data quality.

Finally, on behalf of both the MPC and the Bank's staff, I would like to thank you and your colleagues once again for your invaluable help and support over the past year and your readiness to respond to our questions. The issues raised above reflect the importance that the Bank attaches to ONS data. ONS staff have continued to provide us with assistance that has been crucial in helping the Bank to conduct monetary policy. That help is very much appreciated."

HM Treasury

"The ONS has had to deliver in a period where there has been increasing scrutiny on statistics as a result of the economic climate. The ONS has responded positively to this challenge through its analysis and engagement with users. Overall, the quality of the main outputs has been maintained although there is still some way to go to realise the benefits of the National Accounts modernisation programme. The work continues to be actively managed although it will be difficult to judge the improvements specified in the plans until the programme is completed. More generally, we are satisfied that the ONS continues to develop its future statistical work programme and further engagement is welcomed. In particular, Treasury values the ongoing work to improve collection and data sharing methods in the business and social surveys and driving forward the work on options for the inclusion of housing costs in the Consumer Prices Index. Our customer relationships with

ONS teams remain good and we value the on-going stakeholder consultation. Specifically Treasury would highlight the positive engagement with the ONS in relation to developing a measure of Public Sector Net Borrowing excluding financial interventions and the associated technical notes it published explaining the measure."

Welsh Assembly Government (WAG)

"The Welsh Assembly Government and ONS work together on statistics about Wales, with a generally good relationship between the two organisations. The Assembly Government considers the ONS performance for 2009/10 to be good and merit a 'good' rating. WAG regard the quality of the statistics produced by ONS as fit for purpose. The quality of service provided by ONS has been good, with an increase in successful communication between the two organisations. Welcome developments include the establishment of the UK Population Committee Working Group and the Public Sector Productivity Functional Boards, as constructive ways of keeping WAG and other stakeholders informed of improvements and progress."

Scottish Government

"Overall assessment is 'Good/Satisfactory' but with some areas that still give rise for concern. There is still a general lack of appreciation that we are a devolved Government and not just another government department. The breadth and depth of the work the Scottish Government covers influences our ways of working and our statistical requirements from ONS. Overall, we rate the quality of statistics as good but with no room for complacency. Communication generally works well when there is a good relationship directly between ONS and a Scottish Government Analytical Services Division covering an equivalent policy in Scottish Government. Other corporate

level communication need to be improved and recognition that informing and asking us for assistance in collection and dissemination of information will benefit both parties.”

Business, Innovation and Skills

“The Department for Business, Innovation and Skills (BIS) has a close and productive working relationship at all levels. There are service level agreements and a ‘key account’ system in place. BIS analysts have insights into many government industrial, employment and other policies and close links to external analysts working in these fields. ONS listens attentively to this BIS user perspective. BIS needs for data in a very rapidly changing economic and policy environment are a challenge for statistics producers. The needs are for ever more detail and to be able to produce analysis on emerging areas of interest, such as the low carbon economy and ‘Digital Britain’. BIS and ONS work together actively to address these challenges.”

The NHS Information Centre for Health and Social Care

“NHS Information Centre considers that the overall performance of ONS in providing a service is satisfactory, comprised of good performance on quality of statistics, and on quality of service in relation to existing products, with some shortcomings in the area of liaison on and working through changes and developments. We much appreciate the reliability and quality of the figures you produce, and the professional approach to their production. We consider that, going forward, developing systems and resources to allow more flexibility in what can be provided and how will be helpful, together with earlier and closer working with us to understand the potential impact of changes and developments, and to recognise our

position, and our need and right to make changes to that.”

Department of Health

“The Department of Health (DH) continues to use ONS statistics and services as core inputs to a wide range of our work. The quality of these statistics and services remain ‘good’. We would value the opportunity to be more systematically consulted on ONS business plans, including feedback loops indicating how ONS has used our feedback in its plans. Up-to-date service level agreements between ONS and DH would provide a useful framework. In 2009/10 we greatly appreciated the vital support provided by ONS staff and statistics to DH work in monitoring the 2009 flu pandemic. Such support falls outside business planning, by definition, but it is valued.”

Local Government Association

“We rate ONS’s performance over the last year as ‘satisfactory’, moving towards ‘good’. Most of our contact with ONS has concerned population statistics, so our response largely concerns ONS performance in that area. There have been well-rehearsed concerns about the quality of ONS population statistics particularly at local authority (LA) level. We recognise that ONS has made substantial effort to improve the quality of these statistics. While there is more work needed, and progress has not always been as swift as the LA sector would have wished, we understand why this is so. Consultation with ourselves, and the wider sector, is much improved. We particularly appreciate the efforts of the Census Outputs team to engage us in planning. We would like to work more closely with ONS to engage local elected members with the Census. We have confidence in the technical expertise of the ONS staff with whom we have worked.”

Northern Ireland Statistics and Research Agency (NISRA)

“Census Office has strong working relationships with ONS on the Census, and this extends to formal joint contracting of processing services, and agreements that NISRA can use ONS developments in the analysis of Census data. For 2009/10, Census Office NISRA is very happy with the services provided by ONS, and we have no major issues to report through this channel – any issues that have arisen have been resolved through Census governance procedures. In particular the help that we have received from the Methodology Consultancy Service, the Harmonisation team and the Longitudinal teams at ONS in terms of answering specific queries, consultancy work and in helping to tailor potential training for NISRA has been very helpful. In summary, the rating would be between ‘Good’ and ‘Excellent’ on the basis that there is always room for improvement.”

Department for Work and Pensions

“The Department for Work and Pensions is content with the majority of services that it receives from ONS and the relationship with them. We rely heavily on ONS labour market statistics and many other key series and are satisfied with their quality. We even saw improvements in some services, including the support that we receive on the Labour Force Survey and the Annual Survey of Hours and Earnings. We were pleased to see the publication of the first report from the Wealth and Assets Survey. We have also continued our successful collaboration with ONS on data sharing and believe that we are developing a way of working that will help the rest of the Government Statistical Service.

The main area where ONS has fallen short of our expectations concerns the support

provided for the running of the Family Resources Survey, where we hope to see this come back to the normal standards in the coming year. We continue to be disappointed that the results of the Integrated Household Survey are still not available. We would also like ONS to look at ways of improving how it coordinates its response to requirements that cut across a number of its surveys. We rely on a wide range of ONS sources to support the evaluation of Pensions policy and have experienced some issues this year in getting our needs addressed in the most effective way.

ONS is conscious that existing engagement with users is not well developed and will implement a new stakeholder framework and user engagement strategy during 2010/11.”

Department for Communities and Local Government (CLG)

“Input from ONS is generally considered helpful and published data is provided in usable formats. Further information requests are considered and dealt with quickly and effectively.

ONS keeps colleagues informed of developments and is willing to discuss issues, though there have been occasions where information or planned decisions have not been communicated until late in the day which has resulted in issues needing to be resolved. In some cases these issues could have been avoided if discussion had taken place at an earlier stage”

4.10 – LOOKING FORWARD

The biggest challenge ONS will face in the future is that of reducing budgets. The extent of this is not yet known, but it is clear that all government departments will have to reduce their costs in the next

few years. ONS has already produced significant efficiencies and will need to review the priorities of its statistical outputs in order to reduce costs to the extent that is likely to be required. The Office will also need to be clear on where value is added to users so that users see the benefits that derive from the statistics produced.

In addition, the initial Assessments from the UK Statistics Authority show that users are not clear how their needs feed into statistical priorities and plans. To put this right ONS will be making improvements in the business planning process and the transparency with which this works. All these pressures mean that ONS is likely to go through further substantial change. During this period it will be critically important that the statistical outputs reflect users' priorities and that users see how these affect the statistical plans.

Focusing more on how statistics help users make decisions and how their needs feed into the planning will enable ONS to support its mission of providing *'Trusted statistics – Understanding the UK'*.

Looking ahead, the overall priorities for ONS will be:

- statistics that have a high impact on public policy debate;
- statistics required by legislation; and
- where ONS is the only possible, or best placed provider.