UK Official Statistics - from New Public Management to Public Value
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Abstract
This paper reviews the key changes in official statistics in the UK over the last 30 years - a period which can be characterised in three phases; the loss of trust (1980-1993); addressing trust (1993-2006); and the statutory arrangement to build trust (2007 onwards). It reflects upon the impact of both New Public Management and Public Value thinking on official statistics over this period; and suggests ways in which the organisation of the UK official statistics service might be enhanced to optimise the value of its products and services for both government and non-government users.

Keywords: New Public Management, official statistics, public value, trust.

1. Introduction: concepts and terminology

1.1 New Public Management and Public Value
New Public Management (NPM) is an umbrella term used to describe a range of government policies since the 1980s that applied private sector principles to the public sector. It is characterised by splitting bureaucracies along functional lines and clarifying responsibilities; and by stimulating competition along economic lines - for example, by emphasising value for money and cost efficiency via charging and re-charging, and market testing.

Public Value (PV) is akin to shareholder value in the private sector. It emphasises improvements to the quality of decision making by “calling for public managers to engage with service users and the wider public; it seeks to promote greater trust in public institutions and meet head on the challenge of rising expectations of service delivery”\(^1\). PV can derive both by meeting the needs of government directly - with assumed benefits to society generally - and by explicitly meeting the needs of groups in society (this distinction may be referred to as government value and societal value).

NPM is considered in this paper to relate primarily to 'internal' organisational behaviours, and is contrasted with the more 'external' focus afforded by PV. The paper refers to, for example, developments that are 'consistent with NPM' or 'NPM-centric' - by which the author is referring to organisational change that reflects the characteristics of NPM, and not inferring that this approach to public sector management has necessarily driven a particular change.

1.2 Trust in statistics
The notion of 'trust' is important to all organisations, in the private and public sector. Trust, or confidence, in official statistics is especially important because statistics:

- remain a largely monopoly endeavour: only official statisticians are able to produce the National Accounts, or deliver a Population Census. If Census estimates are not trusted, there is no ready alternative to turn to - so statisticians have a duty to take steps to build trust.

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are of huge importance to decision makers and the democratic process - and official statisticians recognise that if statistics are not trusted then they will not be used, and so decision making will be less well-informed than it would otherwise be.

It is notable that 'trust' is underpinned more by concepts of PV than by aspects of the management of the service: an efficiently managed statistical organisation is a necessary, but not sufficient, condition for trustworthiness.

1.3 The UK statistical system
The UK's Government Statistical Service (GSS) comprises statisticians working in the UK's NSI (the Office for National Statistics (ONS)) and those working in ministries in the UK and devolved governments, led by the National Statistician. All government departments have statistical functions. As responsibility for policy or operational functions moves between Departments, typically the statisticians also move. (Whilst most of these changes are of relatively little consequence in the current context, some are noteworthy, and are considered below). The UK Statistics Authority, is responsible to Parliament for the oversight of ONS and the independent scrutiny of all official statistics produced in the UK.

2. The impact of NPM and PV thinking on official statistics since 1980
The history of the UK official statistics system is well documented elsewhere; this section identifies some factors which influenced official statistics and suggests whether they were stimulated by prevailing thinking that might be regarded as consistent with NPM, or with considerations of PV (or both). Viewed through the lens of 'trust in statistics', three distinct periods stand out.

2.1 1980-1993: The loss of trust
Stimulated by a desire to make absolute cash savings across the public sector, early in the 1980s, Derek Rayner undertook a review at the request of the Prime Minister. It resulted in a reduction of statistical activities and staff; and weakened an already small Central Statistical Office. The "Rayner Doctrine" stated that the objective of the GSS should be the collection of information needed by Government for its own business.

But whilst the Rayner doctrine appeared to emphasise the value of official statistics to government, the scale of cuts made to the CSO - of the order of one third of its budget, or a quarter of its staff - had the effect of substantially reducing the value of statistics to government. During the 1980s there was increasing recognition that the quality of economic statistics was inadequate, and a consequent loss of trust. In 1989, these concerns led to a formal review, which stimulated a period of investment (the "Chancellor's Initiative") in economic statistics, and brought about the transfer of the Business Statistics Office to the CSO. This emphasis on functional specialisation was in line with prevailing NPM thinking.

The 1987 Ibbs Report recommended the extensive contracting out of the administrative functions of Government to executive (Next Steps) agencies - an NPM-inspired initiative to improve accountability and reduce costs. In 1991 the CSO was established as a distinct government department - a Next Steps Agency - accountable to HM Treasury.

The Citizen's Charter - an initiative intended to improve the value of public services - was launched in 1991. It established a 'target culture' across the public sector, and spawned a

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2 'Britain in Numbers', Simon Briscoe, 2005.
raft of performance indicators, many of which were based on official statistics. One consequence of the emphasis on targets and performance indicators was that of ‘perverse incentives’ – unintended changes to the underlying administrative processes - which meant that the management information upon which some statistics were based became subject to gaming. As a result there was a palpable loss of trust in official statistics that were used to monitor performance, and perhaps other official statistics.

2.2 1993-2006 Addressing trust
To set some context, the 1980s and early 1990s saw the development of the internet and the web. The facility to share information in the ways enabled by the internet, and the growth in personal computing power, have revolutionised all aspects of statistics - particularly their presentation and accessibility - and so have helped to enhance the potential PV of statistics. Meanwhile, as set out below, developments in policy making, the organisation of statistical work, and a recognition of the need for statistical legislation have also contributed to enhanced PV.

2.2.1 Policy making
The emphasis on PV established by the Citizen's Charter was reiterated in the 1993 White Paper “Open Government”. In effect this represented the formal end of the Rayner doctrine:

“Official statistics ... are collected by government to inform debate, decision-making and research both within government and by the wider community ... Vital as this is, open access to official statistics provides the citizen with more than a picture of society. It offers a window on the work and performance of government itself, showing the scale of government activity in every area of public policy and allowing the impact of government policies and actions to be assessed ... It is the responsibility of government to provide them ..."

The concept of ‘evidence based policy making' (EBPM) - the systematic use of objective research evidence in the field of public policy - was articulated in the 1999 Modernising Government White Paper. EBPM aligns well with NPM thinking about effectiveness and efficiency and also aims to enhance PV by helping to improve policy (and by extension service delivery).

Particular aspects of EBPM were the subject of two influential reports published by the Cabinet Office in 2000. Wiring it Up emphasised the need to improve coordination in order to address challenges that cut across departmental boundaries. Although the GSS had operated a series of co-ordinating committees - about Social Statistics, for example - Wiring it Up stimulated the launch of National Statistics (NS) themes - such as Agriculture and Forestry - to improve coherence. Hence NS themes were rooted in an initiative drawing on NPM ideas, but were themselves developed with an eye to enhancing PV. Better Information, which aimed to improve the evidence base about neighbourhood renewal, led to the Neighbourhood Statistics Service (NeSS) - a web-based statistical portal - based upon a common geography. Whilst intended primarily for use by central and local government, NeSS undoubtedly enhanced the PV of official statistics.

2.2.2 The organisation of official statistical activity
Two important machinery of government changes in the mid 1990s continued the trends in the centralisation and functional specialisation of official statistics that were initiated in the late 1980s. In

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6 Ibid 2, pp40-59
7 See the Royal Statistical Society's 2003 report 'Performance Indicators: good, bad and ugly'.
1995 the Employment Department was abolished, and responsibility for labour market statistics passed to the Central Statistical Office (CSO). In April 1996, the CSO and the Office for Population Censuses and Surveys merged to create the ONS. The rationale was to enhance the coherence of official statistics; an early outcome was the refocusing of labour market statistics on the international (LFS-based) measure of unemployment replacing the earlier emphasis on the claimant count. Over time this move has de-politicised 'unemployment' statistics – an instance of a NPM-inspired change providing the basis for further change to deliver PV.

A decade later the NHS Information Centre was created (in 2005), with the primary aim of providing accessible, high quality and timely information to help frontline health and social care staff deliver better care - a mission to improve PV.

2.2.3 Trust and legislation

In summary, the 1993-2006 period saw developments in policy making, the organisation of statistics, and statistical legislation, combine in a new model for British official statistics.

2.3 2007 onwards - Statutory arrangements to build trust

2.3.1 Public value, trust and the new model
The main purpose of the Statistics and Registration Service Act 2007 was to establish the Statistics Authority, with the objective of “promoting and safeguarding the production and publication of official statistics that serve the public good …the reference to serving the public good includes in particular (a) informing the public about social and economic matters, and (b) assisting in the development and evaluation of public policy”.

The most tangible manifestation of the objective relating to the ‘public good’ in the Authority’s ‘scrutiny’ activity is the emphasis, in the Code of Practice for Official Statistics, on “meeting user needs” – the first principle of the Code says: “The production, management and dissemination of official statistics should meet the requirements of informed decision-making by government, public services, business, researchers and the public”. This, and other elements of the Code, has resulted in a focus in the Authority's Assessment reports ⁹ on “maximising the good that the statistics can do [by] a better understanding and explanation of the use that can be made of them, coupled with clear communication of their strengths and limitations in relation to those uses”.

2.3.2 The organisation of official statistics activity
Another relevant feature of the new legislation is that whilst ONS was previously accountable to HM Treasury, ministerial responsibility for the Authority transferred to the Cabinet Office. Whilst ‘residual responsibility’ is largely a formality, this move was perceived to reduce the opportunity for the main government user of ONS’ work (HMT) to wield inappropriate influence over the statistics office – and hence was likely to improve the trustworthiness of the statistical service. It was also consistent with encouraging ONS’ statistical service to government to extend beyond its previous focus on economic policy, hence improving the value of ONS’ work to government as a whole.

Long-standing concerns about the trustworthiness of crime statistics produced by the Home Office led to the publication by the Statistics Authority of a report\(^{10}\) in May 2010 which stimulated the transfer of responsibility for crime statistics to ONS in April 2012. This is a significant move to de-politicising crime statistics by supporting clearer explanation of the characteristics of those statistics derived from police forces’ own records\(^{11}\), and in turn to enhancing their PV. At the same time the integration of responsibility for the Crime Survey of England and Wales alongside other ONS household surveys offers the potential for economies of scale and future efficiency savings.

2.3.3 Exploitation of ICT
Developments in ICT are having a considerable impact on official statistics. For example, ICT is benefiting access to data: an increasing recognition of the potential of the digital services industry and of crowd thinking stimulated the Government’s Open Data policy. More generally the landscape in terms of available administrative data is changing rapidly. Access to those data for statistical purposes may become easier, with considerable beneficial impact for official statistics, cost savings, and the reduction of burdens on respondents. And ICT is benefiting user engagement: in 2010 the Statistics Authority’s recommended\(^{12}\) that “a high profile web-based forum … should be developed which would enable users of statistics to communicate more easily and openly with each other and with the producers of official statistics”. The Royal Statistical Society (RSS) established StatsUserNet\(^{13}\) (SUN) to support users’ discussion with each other, and with producers. SUN has been well-received by the user community and producers are starting to engage with users about issues raised.

3. Optimising the public value of UK official statistics
Section 2 suggests that the UK official statistics service is moving along a clear path towards increasing the PV of official statistics. This section suggests four ways in which PV might be further enhanced, in ways that would also seem consistent with building trust in official statistics.

3.1 A UK Statistics Plan focused on public value
The GSS is literally unmanageable; it is a network of people operating as a community of practice, rather than as an organisation. The National Statistician has a leadership role in the coordination of policy, processes and approaches, and is professionally accountable for statistical HOPs, but in practice has little practical authority over the activity and priorities of the GSS.


\(^{11}\) See for example [http://www.bbc.co.uk/news/uk-21178847](http://www.bbc.co.uk/news/uk-21178847)


\(^{13}\) [http://www.statsusernet.org.uk/Home/](http://www.statsusernet.org.uk/Home/)
The recently-published GSS strategy sets out the broad direction of travel – for example, it places more emphasis on analysis and proportionately less on data collection, which is consistent with enhancing PV. But the absence of a UK official statistics plan makes it difficult to judge how the statistical service is working, and whether resources are allocated effectively and used efficiently, and makes it difficult to evaluate the ‘added (public) value’ of the statistical service.

It would seem helpful to introduce a “UK Official Statistics Plan” which included:

- the total resources allocated to official statistics, by government department, and what the resources will be used for;
- the public – government and societal - value that accrues from the different parts of it;
- the long term information needs of government and the public; and
- how ICT developments may impact on the statistical service's ability to deliver PV.

Such a Plan would lend itself to scrutiny/challenge, and an informed debate about relative priorities.

3.2 A stronger role for the ‘centre’

The Code of Practice and Assessment function have provided a set of standards and a system of monitoring that have emphasised particular steps that the statistical service needs to take in order to enhance PV – better user engagement, and better presentation/explanation of statistics. This central (but independent) function is complemented by the innovation of a “Good Practice Team”, accountable to the National Statistician, to provide direct intervention and improvement.

This underlines the importance of a strong role for the ‘centre’ of the statistical service. It would seem helpful to consider how a ‘stronger centre’ might support a greater emphasis on PV, especially in the context of the other suggestions made in this paper. Examples include:

- the allocation of resources in the decentralised system of UK official statistics is almost certainly deeply inefficient, given that statistical resources are prioritised against each Department's needs rather than from a systematic review of the UK's priorities for official statistics. At present there is no means to assess the balance of resources devoted to, say, agricultural as opposed to service sector statistics.
- a central 'user insight' facility, overseeing the collection and analysis of ‘local' intelligence about user needs, could inform decisions about relative priorities.
- a common style for statistical reports could be developed in ways that enhance PV and strengthen the perception of a statistical service managed strongly from the centre and committed to enhancing PV.

3.3 An Official Statistics Service

There are many different producers of official statistics in the UK’s statistical system. The GSS has clear strengths in providing a service to, and delivering value for, government – the closeness to policy makers enhances the relevance of the service provided. But this is only part of PV. Arguably ONS is better-placed than the wider GSS to deliver societal value.

It would seem helpful, as part of delivering a statistical service both to government and to (all) other users, to move to an Official Statistics Service. This is more than rebranding; it would formalise the shift to a PV culture and could support changes in governance, management and culture that would enhance the societal value of the statistical service.
3.4 Recruitment, Training and Competences
The statutory assessment regime has stimulated incremental improvements in official statistics. Those particularly critical to enhancing the PV of statistics, and a trustworthy system, are largely about written and spoken communication, and the ability to develop and maintain effective and empathetic relationships with users and other opinion formers. These are different skills to those traditionally sought and valued by government statisticians – technical proficiency, project planning, and so on.

In order to survive and prosper as information (as opposed to data) providers, it would seem helpful to review the statistical cadre’s skill-sets to ensure their alignment with the emphasis on PV.

4. Conclusions and Observations

Although the heyday of NPM was the 1980s and early 1990s, and PV is a more recently articulated concept, it is clear that NPM-centric changes to organisations remain relevant, whilst an emphasis on PV is not simply a modern phenomenon - for example, Social Trends (an accessible summary and commentary about social statistics) was introduced in 1970. Experts argue whether NPM is in decline - for example, whether its objectives are increasingly being met by the use of modern ICT. But clearly NPM has had a substantial impact on the UK’s civil service and on official statistics.

It is too simplistic to regard the focus during 1980-1993 on NPM as having had the effect of reducing trust in statistics. NPM-centric thinking emphasised sound stewardship and encouraged coherence, which are consistent with some aspects of trustworthiness. But the increasing emphasis on PV since 1993 has laid the foundations for demonstrable improvements in trustworthiness.

Building and sustaining trust is enhanced by regulation and independent compliance monitoring – in official statistics, food safety, banking activity, education, hospitals, and so on. The Statistics Act has been a powerful driver for enhanced PV, as it has hard-wired such a concept into the Authority’s objectives and given it the tools – the Code of Practice, and Assessment – to stimulate it.

Although there is a clear sense of moving towards greater PV, more could be done to give this agenda a substantial helping hand. Section 3 of this paper sets out four concrete suggestions: (i) the introduction of a UK statistics plan focused on PV; (ii) a stronger role for the ‘centre’ to drive improvements in PV; (iii) a move towards an official statistics service; and (iv) the recruitment and training of statisticians to align better with the practical delivery of enhanced PV.