

Data Management and Analysis Group

Independence for Statistics: Response to Treasury Consultation by GLA DMAG



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Independence for Statistics

Response by the Greater London Authority Data Management and Analysis Group

To HM Treasury Consultation

Introduction

This is the response of the Greater London Authority (Data Management and Analysis Group) to the Treasury's consultation document 'Independence for Statistics' issued on 22 March 2006.

The consultation follows the Chancellor's announcement on 28 November 2005 that the Government intended to legislate for independence in statistics.

This response is based upon the experience of using national statistics in the context of regional government, but the views should be more widely applicable as representing experience gained in local government and the public service more generally. The better understanding of the issues and this response have benefited from seeing an early draft of the Royal Statistical Society response and attendance at the Statistics Commission meeting on the consultation on 17 May 2006.

The original Treasury consultation document may be seen at:

http://www.hm-treasury.gov.uk/budget/budget_06/other_documents/bud_bud06_odstatistics.cfm

Background

The Government's consultation document identifies the following key elements of the Framework for National Statistics. The following is our assessment of each element:

- **The National Statistician.** There has been a need to coordinate statistics across the system that has not been completely achieved. The role needs to be entrenched in legislation following international experience exemplified by the document. The key coordination role of the National Statistician has been built into the legislation in other countries with strong national statistics systems.
- **The Statistics Commission.** The independent Commission has provided a counter balance to the National Statistician by focussing on quality and integrity of national statistics. The Commission plays a key role between the statistics providers and the multitude of users. This independent role for a new body (the Board) should also be established in legislation.
- **National Statistics.** The concept of 'National Statistics' was to provide an accurate, up-to-date, comprehensive and meaningful description of the UK economy and society. This has been applied in a piecemeal way to individual datasets. The focus should be redirected towards establishing a wide body of

knowledge in which users should have maximum confidence with the support of the Code of Practice. For the concept to succeed there needs to be a single body responsible for setting priorities about what we need to know and its delivery.

- **The Office for National Statistics.** ONS has for ten years been the statistical agency that supports the National Statistician in creating and bringing together statistical sources and analysis to report on the state of the nation. It now requires a legal basis and, vitally, stability in its funding.
- **Heads of Profession,** The departmental chief statisticians must develop and uphold the quality and integrity in statistics and also support the statistical needs of their departments in developing and monitoring policy. The Head of Profession role must be strengthened in order to provide credibility and engender confidence in their output and for consistency of individual status across departments.
- **The Government Statistical Service.** The GSS plays an important part in integrating analysis across government. It must be possible for a distinctive identity for professional statisticians to be maintained whilst working closely with colleagues in other related professions. The role of the National Statistician must be to ensure that the GSS plays a full role in developing and delivering national statistics.
- **Devolved Administrations.** UK statistics have not been maintained in quality or range by devolution. National Statistics must do better to ensure the needs of users in all parts of the UK are met by providing easy access to directly comparable statistics across the UK. This is one of the most pressing areas for improvement in the present system.

There are two further key players in the Framework for National Statistics:

- **The Government.** Ministers continue to decide what National Statistics will cover, decide who will have access to National Statistics before their release (including themselves) and then release those statistics through their departmental Press Offices, often accompanied by their own press releases. This has been a key reason why the description of roles set out in the Framework has not achieved the desired improvements in public confidence.
- **Parliament.** The opportunity Parliament has taken to seek evidence from the three separate players in the national statistical system appears to have facilitated improved scrutiny: the Government, as the funder and a key user of statistics; the Statistics Commission, in its dual roles of ensuring quality assurance and integrity; and the National Statistician, as being responsible of delivery.

Principles

National Statistics are vital to public policy and to decisions made throughout the public and private sectors. These decisions and policies affect the lives of each of us. Billions of pounds are allocated on the basis of National Statistics, not least to local government. National Statistics must be the currency of public debate, allowing people to monitor the effectiveness of public policies and public services and, ultimately, to make informed democratic choices.

Given their importance, for both the Government and the general public, confidence in the quality and integrity of National Statistics is essential. All users must have confidence that National Statistics have been compiled and disseminated in an impartial way using objective methods within a professional environment that is free from political influence or pressure. It should be a goal that all official statistics should be National Statistics.

Legislation should have a guiding principle to engender maximum trust in national statistics throughout society, from Ministers to casual 'users' of the outputs as filtered through the media. To do this independence from government must be achieved and be transparently seen to have been achieved.

The Government has been guided by the following key principles:

- **High quality statistics** – produced to the highest standards and fit for purpose. This requires choosing the right measures that allow all users to consider how to respond to the information provided. It is therefore necessary to collect and analyse the information to high standards and to explain the technical basis for those calculations to allow proper scrutiny. It also requires full and effective communication of the information so that it can be readily understood and used.
- **High integrity** – ie free from political interference.
- **Clearly defined roles and responsibilities** - with mechanisms to hold key office holders to account. It will be necessary to clearly define the separate functions of quality, delivery and scrutiny and where responsibility lies for each
- **Transparent laws, regulations and codes of practise.**
- **Flexibility** – to respond to changing needs without harming the trust of users. While National Statistics must move on with society to reflect change this should be done in a controlled manner that does not harm serial comparability across time. Change must be a carefully controlled process to enhance National Statistics and not damage them. The governing board must have the responsibility to determine any alterations to the extent of national statistics.
- **Efficiency** – ensuring value for money and minimising the burden on business and others. If several official agencies produce statistics on the same topic there will be a waste of resources in collection, both by the official agency and by those required to provide the raw data, and even more waste of resources by users in having to reconcile conflicting figures.

Key Areas for Reform

Against this background we believe that the following key areas need reform:

- **Scope needs to be wide.** The scope of the reforms should cover those statistics on which the public and Government rely to make decisions and judgements about policy and the effectiveness of Government. Under a new model with a Governing Board, that body will be well placed both to call for gaps to be filled and to support the National Statistician in refusing to accredit inadequate statistics. In the current system it was assumed that over time Ministers would wish to include more statistical outputs as National Statistics. This has not been borne out over the last five years. Decisions about scope should not be left with Ministers since this would risk continuing concern about independence, with consequent implications for public trust. It would also risk an inconsistency of application based on the views of individual Ministers rather than the significance of the information to public debate. We reject the proposition that statistics that derive from the management of public services are inherently different and cannot meet the requirements of the National Statistics Code of Practice. If statistics merit release for public use, especially if they are being used as performance indicators, then they merit inclusion as National Statistics.
- **The role of the National Statistician needs to be reinforced in legislation.** The National Statistician is an executive role that needs to be made clearly responsible for delivery of the statistics required. This means running ONS, coordinating the system as a whole, being the ultimate authority on statistical matters throughout the system as well as the Government's Chief Advisor and the UK representative on statistical matters. In accordance with the United Nations Fundamental Principles of Official Statistics, the National Statistician should be entitled to comment on erroneous interpretation and misuse of statistics. The National Statistician should be appointed through a mechanism that fosters the widest possible support.
- **A Governing Board needs to be established.** A Board needs to set direction and priorities and then to hold the National Statistician to account for delivery. The Governing Board must oversee the statistical system to safeguard the public interest. This means agreement of strategic priorities and business plans, scrutiny and reporting to Parliament. It includes audit of compliance with the Code of Practice in ONS or any other part of the system on the same basis. Its role should be distinct from the delivery role of the National Statistician. If the Governing Board has a delivery function it would be important to retain the Statistics Commission or establish another scrutiny body to oversee the Governing Board. If not, then the clear distinction between oversight and delivery is established and the Statistics Commission can be abolished.
- **A single statistical system needs to be maintained.** There have been calls for some parts of the statistical system to be hived off into a body entirely separate from Government and for data collection to be separated from analysis. We believe that this would be counterproductive within the UK context and result in more rather than less argument about the validity of statistics, especially in policy sensitive areas. This leads to the conclusion that ONS should remain within the civil service but with a clear and well understood statutory Code of Practice for everyone working on National Statistics inside and outside ONS.

- **The system should be UK based and involve the Devolved Administrations.** The UK's international commitments require a focal point (the National Statistician) and domestic needs demand an ability to produce coherent UK-wide statistics. The whole system should take account of the needs of all users including the administrations and citizens in devolved territories. This will require joined up legislation across all competent legislatures within the UK.
- **Funding arrangements should be transparent and secure:** Arrangements should be made to avoid concerns about political manipulation but nonetheless provide incentives to improve efficiency. A transparent presentation of the budget for statistics across all bodies involved in their production, not just ONS, should be available. While separate arrangements may need to be in place for the national census of population these should not be at the mercy of CSR arrangements within the lifetime of a huge and lengthy project to plan, consult, test, enumerate, process, quality assure and, finally, deliver the vast array of statistics
- **Release practices should be reformed.** The reform process provides an opportunity to make complementary improvements to the system that will improve trust. Reform of the counterproductive policy of allowing pre-release access by Ministers and officials to statistical releases is a notable example. As is the practice of releasing departmental statistics through the same press office and often accompanied by a separate Ministerial press statement about the statistics. Parallel arrangements should be established in devolved administrations.
- **Administrative data already held within government should be made available for statistical purposes.** It has been recognised that legislation would be necessary to provide access and also to provide the safeguards necessary to protect confidentiality and privacy. The statistical system should have access to administrative systems for statistical purposes and should be legally required to afford this information the same level of protection as for data collected from survey respondents.
- **Access for local and regional government.** The opportunity should be taken to remove anomalies in past statistical legislation that effectively bars access to certain data to organisations that were not in existence at the time of the legislation, particularly regional government organisations including assemblies and development agencies.

Options for Reform

We make the following comments on the options for reform set out in Chapter 4 of the Treasury's consultation document:

- **Overall objectives** (4.1-4.4). Each of the Government's objectives is agreed. Comments on the six key principles (1.9 and 4.3) are included above. Underlying each of these should be an uncompromising commitment on quality, trust and efficiency. In addition the key principles should include mention of the vital coordination role throughout the GSS that must be part of the National Statistician's remit. This is clear from the brief analyses of arrangements in a selection of other countries.
- **Structure of legislation** (4.5-4.6). The elements of reform do not distinguish an essential separation of roles: the delivery role and the scrutiny role.
- **Benefits of decentralisation** (4.7-4.8). Agreed, but the National Statistician's role regarding the Government Statistical Service together with the roles of Heads of Profession need to be strengthened and covered by legislation.
- **Accountable to, not within, Parliament** (4.9). Agreed.
- **Integrated independence** (4.10). The delivery and scrutiny systems both require independence from Government. However there needs to be a clear separation of responsibilities between the National Statistician, the 'statistics office' and the governing board.
- **A Non-Ministerial Department** (4.11-4.12). It is important that the continuing function of ONS is to support the National Statistician in delivering National Statistics, which are collected both within ONS and outside. The statistics produced by ONS and those produced outside ONS must be on the same plain and ONS must have a system wide responsibility for coordination and quality. The Governing Board should oversee the NMD but this should not be an executive function.
- **Civil service status** (4.13). Agreed.
- **Scope of the system** (4.14-4.15). There should be a statutory Code of Practice but we consider that this will require a new Code to be developed by the National Statistician for endorsement by the Governing Board and Parliament. This should be a priority requirement of the National Statistician. The Board should have responsibility for safeguarding the public interest in regard to what constitutes national statistics and should also have scrutiny over statistics that are not national statistics, wherever produced. Ministers should not be involved in this process. The governing board must decide, following appropriate wide consultation arrangements, what statistics are required and then ensure that they are produced to meet the requirement.
- **Roles and responsibilities** (4.16). The one key element of the proposed system that is not mentioned here is the National Statistician, who is the hub of much of the system. The board should have common responsibilities for all national statistics, whether produced by the proposed NMD or by others. The role proposed for Parliament is essential as the national scrutiny panel for the nation's official statistics.
- **The Board** (4.17-4.18). Delivery and scrutiny roles should be clear and be separated. The Board's role should be consistent regarding statistics produced by the NMD as well as by others.
- **The statistics office** (4.19). As the proposals include the abolition of the Statistics Commission, the Board is put in position of being both in charge of the

production of national statistics as well as responsible for their scrutiny and reporting to Parliament. This may be seen as offering too much independence and so reducing Parliamentary accountability. There needs to be absolute clarity as to how the Board achieves impartiality in both its executive and oversight functions.

- **The National Statistics system** (4.20). The coordination responsibility of the Board across all statistics, whether produced within the NMD or outside, is paramount to a modern statistical system and needs to be strengthened.
- **Assessing quality and integrity** (4.21): Agreed.
- **Advising on areas of concern** (4.22). The Board must have the power to advise on areas of concern, but its advice should not be confined to Ministers. It should be offered widely at the Board's discretion.
- **Overview of coverage** (4.23). This is an area where the dual responsibilities of the Board need clarification. It would be better if the National Statistician continues to be responsible for the development of national statistics and for the Board to comment on and agree the final strategy and ensure delivery.
- **Minimising business burden** (4.24-4.25). The sentiment to minimise burdens on those providing data is important, but this must be reviewed in the light of the utility of the data collected. Legislation must give the National Statistician the powers to collect information, having ensured that the information is not already available in any other form. In this regard it must be possible to allow statistical access to administrative data. The burden is not just an issue for business but for all from whom data is requested.
- **Data access** (4.26): We agree that the National Statistician should have access to administrative data for statistical purposes. The proposed Integrated Population Statistics System to be developed over the next decade partly relies upon protected use of administrative data.
- **Protecting confidentiality** (4.27-4.29). There are established practices that ensure that information shared for statistical purposes does not breach confidentiality of individuals or organisations. This is recognised in Data Protection legislation. Statistics legislation needs to allow statisticians to reuse information as well as to protect confidentiality and privacy. The Board should have the duty of policing the development of national statistics in this regard, building on existing procedures.
- **Arrangements for pre-release** (Box 4). Issues of public trust in national statistics are linked with the interpretation placed on national statistics by government departments in advance of 'official' release. In order to reduce perceptions of political interference there should be no pre-release access to statistics by anyone, outside the statistical production team, until the statistics are released generally.
- **Board structure** (4.30). The Board must include persons representing a wide range of statistics user constituencies, including local/regional government and the general public interest.
- **Non-executive chair** (4.31). The non-executive chair need not be a statistician, but does need to have the other high level management skills indicated.
- **The Chief Statistician** (4.32). The functions outlined for this post are agreed. The post holder should also be the principal UK representative in international statistical forums. The present functions of the National Statistician in relation to coordination of the statistical system must be included in the brief. The

designation 'Chief Statistician' should be also reconsidered. We have a preference to retain 'National Statistician'.

- **Independence of assessment** (4.33). Agreed.
- **Independent appointment process** (4.34). Agreed.
- **The Government Statistical Service** (4.35). The reforms provide an opportunity to develop the GSS and especially to encourage interdepartmental moves and secondments. Scope to widen this professional interchange with appropriate regional government bodies should also be included.
- **Heads of Profession** (4.36). Heads of Profession should be jointly appointed by their department and the National Statistician. The GSS offers the scope that these appointments may be secondments from the NMD.
- **Professional accountability** (4.37). Agreed.
- **Parliament** (4.38-4.41). Agreed
- **Funding** (4.42-4.45). The proposal is that extra funding is provided for statistics that the Government wants but that extra funding is not provided for statistics required by others as recommended by the Board. This will undermine the perceived independence of the system, impede the Board's role in ensuring that the statistical system meets the broader public interest and generally engender public mistrust in national statistics. The Board should be vested with the power to determine those National Statistics that should be produced for the general benefit of the nation. The initial level of funding should be determined by a joint review involving Parliament and include core ongoing funding for infrastructure spending. We do not support the proposal that the population census be funded through the normal Spending Review process as census development is a long-term process and the profile of expenditure must be decided well in advance of the usual windows of Spending Reviews. Legislation should also enshrine the principle that National Statistics, as determined by the Board, should be free at the point of use to all.
- **The Devolved Administrations** (4.46-4.47). The current arrangements do not deliver coherent (sometimes, any) statistics across the UK in a number of areas. This is a problem for those seeking consistent information at a UK wide level, for the Devolved Administrations themselves and for others wishing to make comparisons across the UK. The existing concordat is not meeting user requirement.
- **The Statistics Commission** (4.48). Agreed that the Statistics Commission can be wound up once the new arrangements are in place, but only if the new Board has an oversight rather than a delivery function.
- **The Registrar General** (4.49-4.51). Agreed that the Registrar General's functions should be separated from those of the National Statistician. The functions that need to be transferred to the NMD go much further than the population census. The function to conduct social surveys and to access administrative data for the purposes of monitoring the number and condition of the population currently rests with the Registrar General as do the powers in relation to vital and population statistics. The 100-year rule for release of Census records also needs to be carried forward. Functions should be transferred to the National Statistician (responsible for delivery) rather than to the Board. Mechanisms should also be put in place to ensure that the statistical role of vital registration continues to be prominent in the separated Registrar General's function.
- **Legal ramifications** (4.52). A wide range of powers currently restrict access to information to a number of bodies including regional authorities in ways that are

inconsistent with the objectives of these reforms. These inconsistencies need to be reviewed and consequential amendments incorporated.

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