

UK STATISTICS AUTHORITY

Minutes

Thursday 29 June 2017
Titchfield

Present

UK Statistics Authority

Sir David Norgrove (Chair)
Professor Sir Adrian Smith (Deputy Chair)
Mr Jonathan Athow
Ms Sian Baldwin
Mr Iain Bell
Dame Moira Gibb
Mr Ed Humpherson
Dr David Levy
Ms Nora Nanayakkara
Mr John Pullinger

Also in attendance

Mr Pete Benton (for item 11)
Mr Michael Bleakley
Mr Robert Bumpstead
Mr Tim Ellis (for item 10)
Mr Roger Halliday (for item 10)
Ms Debra Prestwood (for item 11)

Apologies

Dame Colette Bowe
Professor David Hand
Professor Jonathan Haskel
Ms Heather Savory

1. Apologies

- 1.1 Apologies were received from Dame Colette Bowe, Professor David Hand, Professor Jonathan Haskel and Ms Heather Savory.

2. Declarations of Interest

- 2.1 There were no new declarations of interest.

3. Minutes and matters arising from previous meetings

- 3.1 The minutes of the previous meeting held on 22 May 2017 were agreed.
- 3.2 The Chair welcomed Mr Iain Bell to his first Authority Board meeting as Deputy National Statistician for Population and Public Policy.
- 3.3 The Board recorded their thanks to Mr Ian Cope for his service as Acting Deputy National Statistician.

4. Report from the Authority Chair

- 4.1 The Chair reported on his recent activities and noted a number of introductory meetings and engagements, including visits to Edinburgh and Belfast, and meetings with the Committee for Standards in Public Life and Her Majesty's Treasury.

5. Report from the Administrative Data and Research Network Board

- 5.1 Mr Bumpstead reported on the final meeting of the Administration Data and Research Network Board of 5 June.
- 5.2 The ADRN Board had discussed the UKSA stepping away from the network, and the next steps for parties involved. A policy on the re-use of data, subject to ethics and processes, was agreed at the ADRN Board. The Board recorded their thanks to Professor Hand for his work on the ADRN Board, and Sir David would write to him on their behalf.

6. Report from the Audit and Risk Assurance Committee

- 6.1 Ms Baldwin reported on the meeting of the Audit and Risk Assurance Committee of 14 June. The meeting had considered the security and enhancement project, appointment of a Chief Security Officer, and the tracking of finances and benefits.

7. Pre-release Access

- 7.1 Mr Pullinger provided an update on the implementation of the changes to the rules surrounding pre-release access (PRA) of ONS statistics.

8. Report from the Chief Executive [SA(17)27]

- 8.1 Mr Pullinger provided an overview of activity and issues for June. Developments highlighted included:
- i. the activity of ONS during the General Election, and post-election;
 - ii. a meeting of the senior leadership of the Government Statistical Service and ONS Senior Civil Servants on 13 June;
 - iii. the end to pre-release access as of 1 July;
 - iv. publication of the first ever country and regional public sector accounts;
 - v. the finalisation of the Authority's Annual Report and Accounts; and
 - vi. the adoption of a set of indicators to measure the Sustainable Development Goals.
- 8.2 Mr Pullinger also highlighted the visits of the CEO of the Civil Service, John Manzoni, and First Minister of Wales, Carwyn Jones to the ONS and Data Science Campus.
- 8.3 Mr Bell provided some reflections on his first month in his role as Deputy National Statistician.

9. Report from the Director General for Regulation [SA(17)28]

- 9.1 Mr Humpherson introduced a paper which provided an update on regulation activity since the last meeting. The Office for Statistics Regulation planned to launch a consultation on changes to the Code of Practice for Official Statistics on 5 July.
- 9.2 The Board considered the importance of the Code in ensuring the credibility and robustness of the UK statistical system, and its practical benefits such as market confidence.

10. Devolution and official statistics [SA(17)29]

- 10.1 Mr Bumpstead, Mr Pullinger, Mr Halliday and Mr Ellis introduced a paper which provided an overview of devolution in the UK statistical system. Mr Halliday and Mr Ellis provided the Board with context from the perspective of Scotland.
- 10.2 The following comments were made in discussion:
- i. The UK Statistics Authority has a statutory responsibility to report to the UK Parliament, and the legislatures of each devolved administration.
 - ii. The National Statistician chairs an Inter Administration Committee (IAC) comprised of the Chief Statisticians, to coordinate and maintain good relations between the administrations.
 - iii. All administrations had signed up to the Concordat on Statistics to encourage cooperation, collaboration and communication, and create an atmosphere of goodwill amongst the administrations.
 - iv. Devolution did not just apply to the devolved administrations. Similar issues are raised across regions and local authorities.
 - v. Coherency and comparability of statistics across the UK was important, but this had to be balanced with local priorities and policy divergence.
 - vi. There was an increasing demand for comparative information between administrations in order to determine policy effectiveness.
 - vii. Different definitions could make comparing difficult, but greater access to microdata could help offset this.
 - viii. Concentrating on outcome based measures, instead of input based, was a higher priority for comparison purposes.
 - ix. The Government Statistical Service (GSS) had practical benefit in furthering the coherence of statistics in the UK.
- 10.3 The Board welcomed the update.

11. Data Collection Transformation Programme: Business Surveys Transformation Plan [SA(17)30]

- 11.1 Mr Benton and Ms Prestwood introduced a paper which presented the Business Surveys Transformation Plan as part of the ONS Data Collection Transformation Programme (DCTP), as requested at the January Authority Board.
- 11.2 The following comments were made in discussion:
- i. The plan presented differed from the previous plan, as surveys will be transformed when migrating online rather than just migrating directly online as is.
 - ii. The Digital Economy Act 2017 will allow access to administrative data that will enable reductions in sample sizes and number of surveys.
 - iii. The challenge of the programme will be in its delivery.
- 11.3 The Board thanked Ms Prestwood and Mr Benton for providing a detailed plan.

12. Any other business

- 12.1 There was no other business. The Authority Board would meet next on Thursday 20 July at 10:30 in London.

UK STATISTICS AUTHORITY

Agenda

Thursday 29 June 2017

1103_1105, Titchfield, 10:30 to 16:00

Chair: Sir David Norgrove

Apologies: Dame Colette Bowe, Professor David Hand, Professor Jonathan Haskel and Ms Heather Savory

10:30 to 11:00: Non-Executive's Session

1 11:00 -11:10 10 mins	Minutes and matters arising from previous meetings <ul style="list-style-type: none">• Declarations of interest	Meeting of 22-05-17
2 11:10-11:20 10 mins	Report from the Authority Chair	Oral report Sir David Norgrove
3 11:20-11:30 10 mins	Reports from Committee Chairs <ul style="list-style-type: none">• ADRN Board• Audit and Risk Assurance Committee	Oral reports
4 11:30-12:00 30 mins	Pre Release Access	Oral report Mr John Pullinger
5 12:00-12:30 30 mins	Report from the Chief Executive	SA(17)27 Mr John Pullinger
6 12:30-13:00 30 mins	Report from the Director General for Regulation	SA(17)28 Mr Ed Humpherson

13:00 to 13:30: Lunch

7 13:30-14:15 45 mins	Devolution and official statistics	SA(17)29 Mr Robert Bumpstead, Mr Roger Halliday and Mr Tim Ellis
8 14:15-15:00 45 mins	Data Collection Transformation Programme: Business Surveys Transformation Plan	SA(17)30 Mr Pete Benton and Ms Debra Prestwood
9 15:00-15:15 15 mins	Any other business	

Next meeting: 20 July 2017, 10:30 to 16:00, London

Chief Executive's Report, June 2017

Purpose

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

Summary

2. In my report to the Board in May I noted that the post-election period would be an important month to review the external environment and prepare for a scan of the horizon by the Board in July. The general election campaign was conducted against the backdrop of serious terrorist attacks in Manchester and London. Since the election on 8 June concerns about security have continued, the negotiations on withdrawal from the European Union have started and the shocking fire at Grenfell Tower in London has sharpened attention on how decisions are made. In addition the election arithmetic will have implications for the business of government.
3. Internally, Iain Bell has joined us as Deputy National Statistician. Since Iain's arrival we have been focusing on building our strength as a senior leadership team, ensuring alignment between us and working to improve clarity on our future plans connecting financial, workforce and delivery aspects.

Review of recent activities

4. Our statistics were much in the public eye during the pre-election period. The pre-election rules that permit continued publication of official statistics as scheduled worked well, with good collective working across the GSS.
5. Since the election on 8 June our releases have highlighted pressure on prices, wages and retail sales and we can expect continued high attention to each release over the months ahead. We brought together senior leaders from across the GSS on 13 June to consider what actions we should take to develop and deliver the statistics that will be needed to support future decisions. Five areas were emphasised: migration, trade, housing, mental health and the National Living Wage.
6. Other important developments in recent weeks include the following.
 - i. Announcement that pre-release access to ONS statistics will end on 1 July. Any exceptions will be limited and transparent.
 - ii. Publication of the first ever country and regional public sector accounts. This provided detail on receipts raised and public spending for Wales, Northern Ireland and Scotland alongside the English regions. This was widely reported in the press.
 - iii. Publication of an article on how we are bringing VAT data into National Accounts
 - iv. The Authority's Annual Report and Accounts has been finalised and should be published before the summer recess.
 - v. At this year's UN Statistical Commission a set of indicators was agreed to measure sustainable development through to 2030. On 7 June this set of indicators was adopted by the Economic and Social Council of the United Nations. This is a major milestone for the global statistical system.
 - vi. Colleagues from across the GSS have returned from attachments to Full Fact, ITV News, Channel 4 and the BBC, for their respective general election coverage. They will be sharing their experiences with colleagues to help us shape our approach to communication so that our statistics can be readily used. Clare Cowan, David Levy

and Will Moy have started as advisors to help shape our future communications efforts.

- vii. Work was completed to bring colleagues in the ONS Field Force onto our intranet site. Bringing Field Force and office-based staff together on the same platform gives the opportunity to understand the different roles undertaken across the organisation and help increase staff engagement.
- viii. The ONS Excellence Awards took place, recognising the achievements of ONS colleagues over the past 12 Months.

Future look

- 7. In the next few weeks we will be bringing together our thinking on future planning ahead of the Board meeting on 20 July. This will include a review of existing plans against the existing aspirations of the Better Statistics, Better Decisions strategy and the resourcing requirements of the 2015 Spending Review. It will also look beyond the current strategy to possible future directions for UK official statistics.

John Pullinger, 22 June 2017

Report from the Director General for Regulation

Purpose

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

Recommendation

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

Discussion

3. Key areas of activity have been:
 - i. **Code:** We will launch the consultation on the Code of Practice on 5 July. This consultation will incorporate the changes proposed by the Board at our May meeting, and also will include a diagnostic tool for users developed by Professor Haskel. The launch event on 5 July will feature presentations by the Authority Chair and me. We will follow this event with similar events in Edinburgh, Belfast and Cardiff, and also by a series of roadshows in different Departments (15 have been arranged between July and October).
 - ii. **Election:** As noted in my May update, the General Election was relatively quiet for us.
 - iii. **CPIH:** we are working closely with ONS on final elements of meeting Requirements, and have sought updated views from the Bank of England (Ben Broadbent, Andy Haldane) and HM Treasury (Sir Dave Ramsden). We will present advice on National Statistics status at the July Regulation Committee.
 - iv. **Migration:** we are due to publish a broadly positive report on the Labour Force Survey on 22 June, concluding that the impact of declining response rates is less concerning than we initially feared. We will present our report on student migration to the July Committee. We have taken on board a number of ONS comments on the report, which recommends recognising student migration as an experimental statistic within the overall migration National Statistics. In this way, users will be getting a stronger signal to treat the student estimates with caution.
 - v. **Health:** following the Round Table in 15 May, we have agreed to transfer leadership of efforts to improve the coherence of English health statistics to the National Statistician. We will continue to focus on health statistics, by i) reviewing the issues around cross-UK comparability; and ii) reviewing those areas where there is a user need to publish more official statistics (as opposed to releasing management information). This issue was triggered by the question about publication of Trust deficits, a management information source, during the Election campaign. Finally, we will publish a package of material on 29 June, including a letter recognising a significant impact for the Office – the decision by NHS England and NHS Digital to improve significantly the timeliness of Accident and Emergency statistics in response to an intervention we made earlier this year.
 - vi. **Advocacy:** Since the Election I have spoken at three public events: at the Cambridge University conference on Communicating Risk and Uncertainty; at the Investor Relations Society annual conference, where I spoke about the implications of the idea of 'post truth', as part of a session chaired by Evan Davis; and at the Big Data Analytics 2017 conference, chaired by David Hand.
4. The dashboard summary of regulatory activities is at **Annex A**.

Challenges

5. As noted last month, our plans for the Code consultation are ambitious – we want to go beyond the core GSS community and advocate the Code much more widely. I will update the Board at future meetings about progress against this ambition.

Ed Humpherson, Director General for Regulation, 22 June 2017

List of Annexes

Annex A Regulatory Activities

Regulatory Activities May – June 2017

Economy	Health and social care	Business, industry, energy and trade	Crime and justice
<ul style="list-style-type: none"> • CPIH: Considering further evidence from ONS and presenting a paper at the next Regulation Committee meeting in July to support decision about National Statistics status. • Phase 2 Assessment of UK House Price Index and Northern Ireland House Price Index: Assessment underway, engaged with a number of key stakeholders and developed findings. • Regional GVA Assessment: Initial findings from assessment to be shared with Regulation Committee in July. 	<ul style="list-style-type: none"> • Systemic Review: 3rd Round Table held on 15 May was a great success and the National Statistician will take over future activity ensuring joint working in this space; stocktake of UK health and care statistics well underway; planning for the health and care summit in the autumn. • Accident and Emergency: NHS England have committed to improving the timeliness of A and E statistics in response to our intervention. We will announce this alongside a package of updates on 29 June, including a blog, and public update on our Round Tables. 	<ul style="list-style-type: none"> • UK Trade: ONS has provided evidence to inform a decision on redesignation of the statistics. We will report to the Regulation Committee in July. • Construction Output and Prices statistics: We have agreed a timeline with ONS for reassessing these statistics. 	<ul style="list-style-type: none"> • Systemic review: Exploratory producer roundtables scheduled for 28 June on learning across the UK and 5 July on data sharing and linking. • Justice: We will present the team's Assessment of Scottish Crime and Justice Statistics to the Regulation Committee on 13 July. Police Recorded Crime Statistics in England and Wales continue to have National Statistics status removed.
Labour market	Housing, planning and local services	Children, education and skills	Agriculture and environment
<ul style="list-style-type: none"> • Migration: Report on student migration has been updated following further meetings with ONS and Home Office statisticians and will be submitted to the July Regulation Committee. The paper on the labour force survey (on reliability of foreign born workers employment rates in the face of falling response rates) was published on 22 June. ONS has responded positively to our recommendations. 	<ul style="list-style-type: none"> • Housing Review: Progressing systemic review and developing proposals to address detailed findings from the review; and planning follow-up engagement with statistics producers to discuss review's findings. 	<ul style="list-style-type: none"> • Casework: Three separate DfE enquiries open: the appropriate reporting of parental demand for grammar school places; availability of academy rebrokerage costs; and comparable data on National Achievement Rates Tables given change to methods • HoP: Mike Jones (previously DWP) took up position as Deputy Head of Profession for Statistics at DfE on 12 June. 	<ul style="list-style-type: none"> • Defra Milk Utilisation Statistics: Defra requested temporary de-designation of NS release until methodology issues have been addressed.
Population	Culture and identity	Security, defence and intl relations	Travel, transport and tourism
<ul style="list-style-type: none"> • Student Migration: Planning for migration statistics roundtable event. 	<ul style="list-style-type: none"> • No significant activity 	<ul style="list-style-type: none"> • DfID: Workshop developed and run (10 May) to further engage DfID in using Code across all their stats/info, not just with their official statistics. 	<ul style="list-style-type: none"> • No significant activity

Devolution and the UK statistical system

Purpose

1. This paper provides the Authority Board with an overview of devolution in the UK statistical system in the context of some key challenges.

Recommendations

2. Members of the Authority Board are invited to discuss the issues outlined in this paper, in the context of key challenges devolution faces:
 - i. how can we promote comparability and coherence as policy divergence leads to differing local and national priorities?
 - ii. as further powers are devolved how can the Government Statistical Service (GSS)¹ best adapt to the growing demand for local data?
 - iii. in the light of the Digital Economy Act 2017 what are the necessary and appropriate safeguards around the sharing of data for statistical purposes that maximise public acceptability, trust and confidence to ensure that devolved authorities have access to data to improve official statistics across the UK?

Background

3. A background note on recent developments surrounding devolution is at **Annex A**.

Structure of the devolved statistical system

Organisations

4. Each devolved administration's (DA) statistical network is led by the Chief Statistician of the respective administration.
5. Official statistics covering the DAs are produced by a variety of bodies. These include the DAs and UK Government departments such as the Office for National Statistics (ONS), Her Majesty's Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP). Producers of official statistics across the UK Government and the DAs aim to be collaborative and allow time to gather, and consider, the views of counterparts in other administrations when developing statistics. Good practice guidance has been issued to help achieve this (**Annex B**).

Legislation

6. Devolution is built into the *Statistics and Registration Service Act 2007* (SRSA) and is mentioned regularly, such as Section 27, which states the Authority reports directly to the UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.
7. Section 20 of the Act states that the Board, through its executive agency the ONS, may produce statistics relating to any matter relating to the UK or any part of it, but that it may not produce 'devolved statistics' (defined in Section 66 of the Act) without the consent of devolved ministers. In practice such consent has not been withheld to date. There can sometimes be issues when an ONS have been developing an output relating to a devolved matter without prior engagement with the devolved authority, or the ONS has produced a release inconsistent with other devolved outputs. This highlights the importance of collaborative and open working between ONS and the DAs. On devolved

¹ As the Northern Ireland Civil Service is separate to the Home Civil Service, the GSS is usually considered to encompass the Northern Ireland Statistics and Research Agency (NISRA), though differences do remain, for example the revised GSS competency framework has yet to be adopted by NISRA.

areas in particular it is important that devolved administrations are able to provide a quality assurance and peer review role ahead of release.

8. The DAs have separate legislation surrounding pre-release access of official statistics. The Scottish and Welsh Governments have five working days, while Northern Ireland mirrors the UK Government's 24 hour access.
9. The *Digital Economy Act* provides a statutory framework for the Authority to share data with the DAs to support devolved statistics, and more generally for better data sharing between departments and the administrations to support analytical and research work.
10. Securing and maintaining public confidence and trust in how the UK statistical service uses identifiable data is essential for the new statutory framework to succeed, and therefore reassuring the public and businesses that their data will be used legally, ethically and safely at all times, and only for the purposes of producing aggregate official statistics, will be of the utmost importance. A range of safeguards can be found at **Annex C**. In this context the ONS and devolved administrations will now need to work together to consider the best approach to making the data received under the DE Act available to each other in a secure manner.
11. The Authority Board and the National Statistician have a statutory responsibility to 'safeguard the comprehensiveness of official statistics' wherever they are produced. Structures are in place to help seek coherence and comparability, including the Concordat on Statistics (**Annex D**), the Inter Administration Committee (IAC) and United Kingdom Census Committee (UKCC).

Concordat on Statistics

12. A Concordat on Statistics was agreed between the UK Government (including the UK Statistics Authority and ONS) and each of the devolved administrations. The Concordat, which was signed in September 2016, replaces an Inter Administration Working Agreement, and sits within the Memorandum of Understanding and Joint Ministerial Committee (JMC) between the UK Government and DAs.
13. The new Concordat builds on, and strengthens, existing arrangements and good practice in collaboration across the UK statistical system. The Concordat focuses more on shared goals and obligations, whilst recognising dual accountabilities. It also provides clarity on commitments to consult each other on data collection and publications and encourages further cooperation on data access for the mutual benefit of the statistical system and its users.
14. The Concordat outlines the ways in which the four nations work together in relation to the production of statistics, for and within the UK, statistical standards and the statistics profession.
15. The Concordat aims to give assurance that consistent data will be provided wherever possible, while recognising that different policy contexts within administrations may sometimes require different data. It seeks to provide a framework to reach agreement on how to balance the need for consistent data with local needs.
16. The JMC is the formal contact at ministerial level between the UK Government and the DAs. Support to the JMC and co-ordination of UK Government devolution activity is led by the UK Governance Group in the Cabinet Office, and the territorial offices; the Scotland Office, Wales Office and Northern Ireland Office.
17. In the unusual circumstance that issues in relation to statistical matters across the UK statistical system cannot be resolved by the parties directly involved, the National Statistician can raise issues with the relevant UK Government Department(s) and/or devolved administration(s) and then via the Joint Ministerial Committee Dispute, Avoidance and Resolution process if necessary.

18. The Concordat contains several references to EU legislation and directives, which may need to be revisited in light of the UK exit from the EU. The Concordat is due to be reviewed after one year of operation, in September 2017.

Inter Administration Committee

19. The National Statistician chairs the IAC, composed of the Chief Statisticians of the DAs and the Registrar General for Scotland. The Terms of Reference for the IAC are at **Annex E**.
20. The IAC's responsibilities include:
- i. considering issues in relation to statistical matters across the UK system;
 - ii. promoting policies, strategies and standards which facilitate the production of coherent and harmonised statistics across the administrations;
 - iii. considering and resolving inter administration issues where they have not been resolved elsewhere;
 - iv. considering UK government statistics needed for devolved purposes in reserved policy areas, and devolved statistics needed for UK purposes;
 - v. considering international issues including meeting international requirements; and
 - vi. considering user need for statistics at UK level and for comparable sub-UK statistics, while recognising that individual administrations will have specific requirements that need to be met.
21. The IAC has a work programme to encourage cooperation and collaboration on statistical topics, including tax, welfare, education, health and equality. Recently the Committee has focused in particular on comparability of statistics in the health and education policy areas, and has work on crime and justice and additional work on health planned.

Devolved Economic Statistics Co-ordination Group (DESC)

22. ONS and the DAs set up DESC in 2016 to provide a platform for more frequent strategic engagement on DA issues relating to economic statistics.
23. DESC reports to the IAC. It has a rotating location and chair, and has members from both the economic and statistical professions.
24. The initial priority for the group was engagement on ONS's response to the Bean Review and devolution of new fiscal powers to the devolved administrations, in particular:
- i. the use of administrative data in economic statistics;
 - ii. the devolution development programme; and
 - iii. how best the DAs can engage with the Economic Statistics Centre of Excellence (ESCoE) and Data Campus.
25. DESC has made progress in many areas, including:
- i. engagement with HMRC over impacts of their regional trade statistics on DAs
 - ii. establishing channels for further sharing of data, ahead of the implementation of the *Digital Economy Act*;
 - iii. engagement with ONS on its Devolution Project and its Economic Statistics Transformation Programme;
 - iv. early engagement with relevant ESCoE projects, allowing the DAs to have input to the work and provide strategic direction and advice;
 - v. progress on the consolidation of Service Level Agreements (SLA) between the DAs and ONS business areas, leading to the creation of a single SLA for each DA covering all parts of National Accounts and Economic Statistics; and
 - vi. collating the DAs' top priorities for economic statistics to feed in to ONS business planning.

United Kingdom Census Committee

26. The UKCC is chaired by the National Statistician and includes the Chief Statisticians or Registrars General of the devolved administrations, the Director General for Population and Public Policy of the UK Statistics Authority and the Director of Census at ONS.
27. The Registrars General of Scotland and Northern Ireland are responsible for the census in their respective constituent countries, with ONS being responsible for England and Wales, and UK census statistics dissemination. Necessary legislation requires the approval of the UK Parliament, Scottish Parliament and Northern Ireland Assembly.
28. To ensure a coordinated and harmonised approach, the National Statistician and Registrars General for Scotland and Northern Ireland agreed the Conduct of the 2021 Census in the UK agreement.

Regulation

29. All official statistics fall within the scope of the *Code of Practice for Official Statistics*, including those produced by the DAs. In recognition of the cross-UK role of the UK Statistics Authority, it was decided early after the SRSA came into force that regulatory function should have an office in Edinburgh. This is currently staffed by seven people, in addition to offices in London and Newport.
30. All devolved National Statistics have been through the same process of assessment against the UK-wide Code of Practice.
31. The Office for Statistics Regulation (OSR) has produced reports on devolved issues such as *Official Statistics in the Context of the Referendum on Scottish Independence* in October 2013. Upcoming work includes systemic reviews on crime and health and social care, which will look at issues across the UK.

Case studies

Education

32. A paper was presented to the September 2016 IAC with a report on education statistics comparability. The following points were highlighted:
 - i. policy divergence made comparability difficult, even on similar topics – such as examination attainment and school funding. Upcoming education reforms in England and Wales will lead to further divergence; and
 - ii. meeting international standards could be difficult due to costs, definitions and administrative systems. For example, participation in international surveys and studies is disproportionately costly for the DAs, as they require over-sampling to ensure sufficient sample sizes.
33. The Committee agreed that there would be an advantage to users if statistical releases included improved commentary and analysis, particularly to provide explanation of differences in circumstances when statistics are not readily comparable.
34. It was discussed how linking data from different departments could help produce new outcome measures that were not reliant on the performance measures that were now inconsistent across the UK. For example, regardless of educational attainment measures all four countries are seeking positive labour market outcomes at the end of the education system.
35. The Committee concluded that efforts should be made to determine:
 - i. how to utilise ‘destinations’ data and any other sources of data that were available to provide assurance on the comparability of the qualifications across administrations in terms of standards (rather than the comparability of statistics); and

- ii. how we can create information to enable people to make judgements about what changes or reforms are effective in different countries.

Health

- 36. A paper was presented at the November 2016 meeting of the IAC, produced with cross-government input, on health statistics comparability.
- 37. The Committee noted similar issues as with education, including policy divergence and differing priorities and definitions being a problem for comparability. In each part of the UK a priority for statisticians is to support the local operational performance context; however there was recognition that comparability is helpful and sharing knowledge can assist in devising solutions.
- 38. The Committee concluded that efforts should be made to:
 - i. focus on population outcomes, such as life expectancy and disease prevalence rather than operational measures;
 - ii. determine the need and feasibility of comparable intermediate measures between operational matters (which are less likely to be comparable) and broad population outcomes, such as life expectancy (which are more likely to be comparable); and
 - iii. continue to encourage sharing of best practice across the UK.
- 39. It was concluded that questions surrounding health statistics and comparisons between the UK constituent countries would only get more pressing, and the GSS had a responsibility to consider what questions would be asked and how they can be answered, and where statistics were not comparable should clearly communicate why this is the case.
- 40. Following this an experimental statistics product providing four sets of healthcare quality indicators was published in February 2017 following joint working across the UK.² This publication provided indicators on acute care; avoidable admissions; life expectancy/health life expectancy and patient safety.
- 41. NHS National Services Scotland is now leading work to develop this product to include further indicators including: on population characteristics/behaviours, non-health determinants of healthcare demands, a section on healthcare quality using an OECD collection, outcomes covering life expectancy/health life expectancy and mortality from specific diseases. The intention is to make use of the current OECD Health at a Glance 2015 collection and to publish the data before the end of 2017.
- 42. The English Health Statistics Steering Group, led by ONS, is leading work to deliver improved coherence and comparability in health and care statistics in England. This group and related theme subgroups are engaged fully with the UK-level developments and work with the four-nation group to support the development of UK indicators.

Other initiatives

- 43. As ONS develops its public policy analysis strategy, consideration will be needed about the role of ONS in producing analysis, in partnership with DAs, that supports devolved government as well as UK central government priorities for example on issues such as EU exit. To this end efforts are being made to raise awareness and encourage cooperation, collaboration and communication across the four-nations.

ONS Devolution Project

- 44. Under commission from the IAC, the ONS led a Task and Finish Group in 2014 to assess how devolution may change the demand for and the production of statistics. The

² <http://www.isdscotland.org/Health-Topics/Public-Health/Publications/2017-02-21/visualisation.asp>

work of this Task and Finish Group focused on economic statistics, which was perceived to be the area where most issues would arise from the Bean Review.

45. In response to the findings of the IAC Task and Finish Group, the ONS bid for funding in the Spending Review 2015 (SR15), and subsequently received £6.5 million from the SR15 for over the 2016-2020 period to fund the Devolution Project.
46. A programme of work packages was created. A more detailed breakdown of the work of the ONS Devolution Project is provided at **Annex F**. The ONS Devolution Project liaises with, and attends DESC.

Devolution to cities and regions

47. There are no plans for legislative devolution within England. However, administrative devolution through city deals and mayoral combined authorities has become more prominent.
48. The extent of power devolved differs in each case, with some including powers over economic development, transport, planning and borrowing. The Greater Manchester Combined Authority is notable for the administrative devolution of approximately £6 billion of health spending.
49. Statistical issues arising from devolution in this area are being considered within the ONS Devolution Project and DESC, with similar objectives and themes to the DAs as at present, such as regional breakdowns and granularity of data to help inform decision making at more local levels.

EU Exit

50. Engagement with the DAs regarding the UK leaving the EU is handled centrally by the EU Exit Team at the UK Statistics Authority, led by Rob Bumpstead and Will Laffan.
51. A separate paper [SA(17)25] on Brexit was provided to the May 2017 Board, which contains more information on this, and further updates on Brexit will be scheduled every two to three months looking at specific aspects e.g. trade figures related focus.

Michael Bleakley, Central Policy Secretariat, UK Statistics Authority, 20 June 2017

List of Annexes

- Annex A** Devolution developments
- Annex B** Devolution Good Practice guidance
- Annex C** Keeping data safe: protecting privacy and confidentiality
- Annex D** Concordat on Statistics
- Annex E** Inter Administration Committee Terms of Reference
- Annex F** ONS Devolution Project

Annex A Summary of the UK devolution arrangements

Scotland

Current state

1. The implementation of the Scotland Act 2012 and Scotland Act 2016 continues, particularly with regard to devolution of powers over taxation.
2. The Scotland Act 2012 included the following powers and responsibilities:
 - i. changing the level of income tax by up to 10p uniformly across all bands (effective as of April 2016);
 - ii. control of stamp duty and landfill tax (effective as of April 2015);
 - iii. borrowing powers of up to £2.2 billion per annum (effective as of April 2015);
 - iv. power to create new, Scotland-specific taxes, with agreement of both governments;
 - v. Scottish representation in the BBC and Crown Estate; and
 - vi. limited powers relating to drugs, driving and guns.
3. The Scotland Act 2016 included the following powers and responsibilities:
 - i. varying the rates and bands of income tax (by April 2017);
 - ii. retention of half of VAT raised in Scotland (by April 2019);
 - iii. control over Air Passenger Duty (by April 2018);
 - iv. borrowing up to £3 billion for infrastructure projects;
 - v. welfare and benefits powers;
 - vi. onshore oil and gas extraction;
 - vii. abortion law;
 - viii. consumer advice;
 - ix. equal opportunities;
 - x. speed limits, parking and traffic signs; and
 - xi. management of the Crown Estate, British Transport Police and Ofcom in Scotland.

Developments

4. Varying the rate of tax is currently possible through the 2012 Act, but any change would apply across all bands. The 2016 Act allows different variations for each band. The powers under the 2012 Act came into effect in April 2016, with the Scottish Government opting not to make any changes to the level of income tax at that time. The Scottish Government chose not to apply the increased threshold for paying the higher rate of income tax that was announced in the March 2016 UK budget.
5. In April 2015 the Scottish Government introduced a Land and Buildings Transaction Tax to replace Stamp Duty.
6. No changes to devolution beyond those in Scotland Act 2016 are planned at present, though the repatriation of powers from the EU, such as regarding farming and fishing, could potentially result in devolution in these areas.
7. The Scottish Government plans to replace Air Passenger Duty, a power it gains in 2018, with an Air Departure Tax. There will be a 50 per cent reduction in Air Passenger Duty by the end of the current parliament and abolish it when the public finances allow.

Wales

Current state

8. The Wales Act 2014 was based on the recommendations of Part I of the Silk Commission which concentrated on fiscal powers.
9. The Wales Act 2014 included the following powers and responsibilities:
 - i. control of stamp duty and landfill tax (by April 2018);

- ii. control over income tax variation, subject to a referendum;
 - iii. control over business rates (effective as of April 2015);
 - iv. borrowing powers of up to £1 billion (by April 2018); and
 - v. power to create new, Wales-specific taxes, with agreement of both governments.
10. The Wales Act 2017 included the following proposed changes to the devolution settlement:
- i. varying the rates and bands of income tax;
 - ii. increased borrowing powers;
 - iii. a 'reserved powers' model, similar to Scotland and Northern Ireland;
 - iv. onshore oil and gas extraction;
 - v. consumer advice;
 - vi. rail franchising;
 - vii. speed limits, parking and traffic signs; and
 - viii. management of Ofcom in Wales.
11. Part II of the Silk Commission proposed an increase in the number of Assembly Members, and a separate legal jurisdiction with devolved policing. Neither is included in the Wales Bill.

Developments

12. The Wales Bill Act 2017 received Royal Assent on 31 January 2017, having undergone considerable changes over the past year.
13. UK Government dropped requirement from the Wales Act 2014 for a referendum in order to devolve variation of income tax powers. These will be available from April 2019.
14. Wales has moved to a 'reserved powers' model, as used by Scotland and Northern Ireland, in which the powers of Westminster are defined as 'reserved', and everything else is assumed to be devolved. A reversal of the previous model in Wales.
15. The Welsh Government will introduce a Land Transaction Tax and Landfill Disposals Tax, to replace the Stamp Duty and Landfill Tax.
16. A fiscal framework was agreed between the Welsh Government and HM Treasury to guarantee a fair level of funding when adjustments are made based on the Barnett Formula.

Northern Ireland

Current state

17. The Stormont House Agreement 2014 included the following proposals:
- i. the devolution of Corporation Tax to the Northern Ireland Assembly (by April 2018);
 - ii. ensuring the implementation of welfare reform in Northern Ireland in line with the rest of the UK as enacted by the Welfare Reform Act 2012;
 - iii. balancing the Northern Ireland budget;
 - iv. the UK Government providing a financial package of £2 billion from 2014 to 2020;
 - v. restructuring of the Northern Ireland Executive from twelve departments to nine; and
 - vi. various commitments regarding establishing legacy institutions, and action against paramilitarism and organised crime.

Developments

18. There have been delays to the implementation of the Stormont House Agreement, in particular enacting welfare reforms. In November 2015 Members of the Assembly voted to allow Westminster to implement the changes. Subsequently the legislation was passed through the UK Parliament in the same month, and received Royal Assent in May 2016.

19. Plans to implement further devolution to Northern Ireland are on hold due to the ongoing talks between the Democratic Unionist Party and Sinn Féin to form a government after the Assembly Election on 2 March. A deadline of 29 June has been given by the UK Government for the parties to reach a deal.

England

Current state

20. Legislative devolution in England has not occurred and there are no plans to do so. City deals are the most preferred option of the UK Government at present. This is most notable in London and now Manchester, but has been agreed for many cities across the UK, including Liverpool, Leeds, Cardiff and Aberdeen. In total 30 deals have been granted, 26 in England, 3 in Scotland and 1 in Wales. The 2016 Budget allowed for negotiations to begin with Edinburgh and Swansea.
21. The Local Government Finance Act 2012 allowed local authorities in England and Wales to keep up to 50 per cent of business rate revenues. Rates are collected by local government and transferred to the central government pot for distribution via the Revenue Support Grant. Business rates are handled differently in Scotland and Northern Ireland. As of April 2015 control over business rates is devolved to the Welsh Assembly.

Developments

22. Manchester has been granted considerable administrative devolution, including over approximately £6 billion of health spending across Greater Manchester, a power only being piloted in small areas of London at present.
23. Mayoral combined authorities have been established in six regions across England, including the West Midlands, West of England and Manchester. The extent of power devolved to them differs, with some including powers over economic development, transport, planning, and borrowing. Mayors were elected to these on 4 May 2017.
24. Business rates were expected to be fully devolved to local authorities in England by 2020, allowing them to set and retain all the proceeds, rather than being absorbed into central government finances and then distributed by the Treasury. This provision was made in the Local Government Finance Bill 2016-17, which fell due to the General Election. The Queen's Speech on 21 June did not include plans to resurrect the Bill.

Michael Bleakley, Central Policy Secretariat, 20 June 2017

Devolution Good Practice

There have been many developments over the past two years in the devolution process. The Scotland Act 2015 has devolved a number of new powers to the Scottish Parliament, particularly regarding taxation and welfare. The Wales Act, having received Royal Assent in January 2017, will also lead to greater autonomy in Wales on a number of issues, including the devolution of income tax powers. Northern Ireland also looks set to receive control over Corporation Tax.

Devolution has an impact on our work across the Government Statistical Service (GSS). Working with colleagues across departments and governments plays a vital role in ensuring policy makers are best informed through better statistics, to the benefit of all.

It is in this light that the UK Government recently signed a [Concordat on Statistics](#) with the Devolved Administrations which sets out how producers of official statistics across the UK will work together to:

- prioritise statistical needs and reach consensus on the statistics to be produced;
- produce coherent/comparable official statistics in a way that represents good value for money;
- exchange data and other information;
- consult with each other on areas of shared interest; and
- cooperate on matters relating to professional standards and statistical staff.

This applies equally to statisticians within the Devolved Administrations as well as those within UK departments.

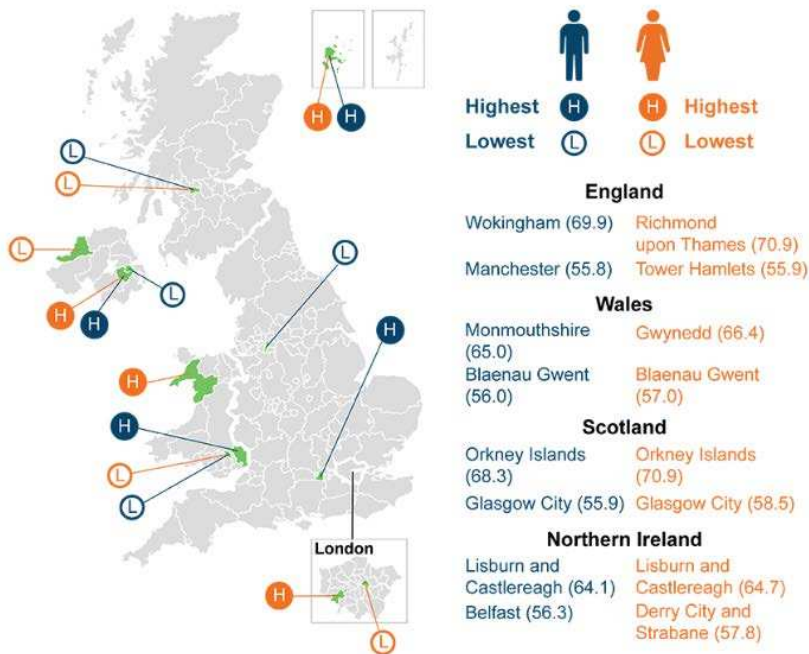
What does this mean for you?

Producers of official statistics across the UK Government and the Devolved Administrations all have a role to play in delivering better statistics. We need to be collaborative and allow time to gather, and consider, the views of counterparts in other administrations. This checklist will help you consider how to involve other administrations.

- ✓ Work collaboratively and openly across administrations when producing statistics, particularly those with a devolved interest.
- ✓ Check that it is clear what geography your output relates to and consider whether any additional breakdowns would be valuable for other administrations.
- ✓ When producing statistics for different geographies ensure you understand the context and what the key messages are for different country/regions, and don't focus only on the UK picture.
- ✓ Consult users across the UK when designing outputs and data collections.
- ✓ Harmonise where appropriate.
- ✓ Alert other administrations to upcoming publications when they contain country level data.
- ✓ Signpost users to comparable statistics where available.
- ✓ Share data securely, where appropriate.
- ✓ Allow enough time for quality assurance with other administrations. This can, and often should, include access ahead of formal pre-release to statisticians in other administrations.
- ✓ **In all of this, be proactive and consult/involve early in the process and not simply the day before (or on the day) that you intend to publish.**

Good Practice Case Study

To help inform the [Independent Review into the State Pension Age](#), ONS developed some analysis of healthy life expectancy by administrative geography and socioeconomic position, resulting in the publication of a new statistical bulletin on [Health expectancies at birth and at age 65 in the UK](#), based on 2011 Census data.



Initially this analysis covered England only, but after some discussion it was felt that the publication could be improved by extending the examination across the whole of the UK

To do this, ONS first contacted Public Health Wales, NHS Health Scotland and the Northern Ireland Statistics and Research Agency (NISRA) to find out what health expectancy statistics were already produced and whether any included the expanded health states required by deprivation strata and administrative geography. Once this had been excluded, the team then set out plans to National Records of

Scotland, Welsh Government and NISRA to provide a comprehensive set of health state life expectancy statistics for local areas in the UK and by each Devolved Administration's measure of deprivation. The team also requested their future input for quality assurance and commentary prior to publication and to publish such statistics by local area level.

As a result of the collaboration, the first set of health state life expectancies across all local areas in the UK was published. This also acted as a stimulus to expanding the regular ONS health state life expectancy release to cover all local areas and health Boards in Scotland and Wales.

It also stimulated the creation of a UK health state life expectancy group which meets quarterly and has cross UK membership, with a remit to collaborate on the publication of these statistics in future.

**[Michael Bleakley](#), Inter Administration Committee Secretariat
Central Policy Secretariat, UK Statistics Authority
24 February 2017**

Keeping data safe: protecting privacy and confidentiality

Citizens and businesses expect their confidential data to be kept safe and secure, their privacy protected, and the data only to be used for the public good. Securing and maintaining public confidence and trust in how the UK statistical service uses identifiable data is essential for any new statutory framework to succeed, and therefore reassuring the public and businesses that their data will be used legally, ethically and safely at all times, and only for the purposes of producing aggregate official statistics, will be of the utmost importance. The *Data Protection Act 1998* and the accompanying data protection principles provide a most important safeguard and set of guiding standards, not least that arrangements for the sharing of data are both proportionate and for clearly-specified purposes. There are a range of other safeguards already in place:

- **Limited to statistics and research purposes:** The *Statistics and Registration Service Act 2007* (SRSA) limits the functions of ONS (as the executive arm of the UK Statistics Authority) to the production and publication of official statistics that serve the public good. The Authority cannot exercise any functions beyond the scope of the SRSA. Therefore, data held by ONS cannot be used subsequently for operational purposes.
- **Criminal penalties for misuse:** The SRSA provides for a strong criminal penalty on the unlawful disclosure of data. The Statistics Authority is also subject to the Data Protection Act, the law of confidence, and the Human Rights Act.
- **Statutory independence:** The Statistics Authority has statutory independence from ministers, operates at arm's length from government, and is directly accountable to Parliament. The Statistics Authority Board has a majority of non-executive members, and the Chair of the Authority is appointed after a pre-appointment hearing before a parliamentary committee and a formal motion debated on the floor of the House of Commons. The Chair and senior executives are held publicly to account and routinely provide evidence to parliamentary committees.
- **Transparency and standards:** ONS operates transparently and publishes guidance about what data it uses and when, and the public value that is derived from the data and information supplied to it for the purposes of producing official statistics and statistical research. ONS's Information Charter sets out how ONS carries out its responsibilities for handling personal information. ONS's Respondent Charters for business surveys, and household and individual surveys set out the standards that respondents can expect.
- **Strict security controls:** ONS has a strong record in protecting and safeguarding the security of data and information supplied to it, not least in its rigorous protection of personal Census information collected over the past 200 years. ONS imposes strict controls around physical security, personnel security and procedural security of the identifiable data it holds. All ONS staff must sign the ONS Confidentiality Declaration to confirm they understand strict obligations to keep information safe and secure, and the penalties for any infringement. ONS also adheres to the Government's Security Policy Framework.
- **Statistical disclosure control:** All outputs from ONS research are subject to Statistical Disclosure Control which prevents the identification of individuals, households and businesses (and their attributes).
- **Codes of practice:** The Code of Practice for Official Statistics has statutory underpinning in the SRSA and statisticians are under an obligation to adhere to its ethical requirements, including its principles of integrity, confidentiality, and the use of administrative sources for statistical purposes.³ Consideration could usefully be given to whether a new framework for the National Statistician to access identifiable data held

³ <https://www.statisticsauthority.gov.uk/monitoring-and-assessment/code-of-practice/>

across government and beyond requires a supplementary code in order to extend further public confidence, and the Government's current public consultation on *Better Use of Data in Government* is eliciting views on its contents.

- **External scrutiny:** The National Statistician recently established the National Statistician's Data Ethics Advisory Committee which provides ethical consideration of proposals to access, share and use data.⁴ The committee has a majority of independent and lay members from outside Government, and operates transparently with all papers and minutes published. This committee provides independent scrutiny of data shares and reports to the National Statistician who reports to the Statistics Authority Board.

⁴ <https://www.statisticsauthority.gov.uk/national-statistician/national-statisticians-data-ethics-advisory-committee/>

CONCORDAT ON STATISTICS

Introduction

1. This Concordat sets out the agreed framework for co-operation between the UK Government (including the UK Statistics Authority and Office for National Statistics) and Devolved Administrations, in relation to the production of statistics, for and within the UK, statistical standards and the statistics profession¹.
2. This Concordat is made between the National Statistician², the Permanent Secretaries to the Scottish Government, Welsh Government and Department of Finance and Personnel for Northern Ireland, the Second Permanent Secretary, Head of UK Governance Group in the Cabinet Office, and the Chief Statisticians of the Devolved Administrations.
3. This document is to be read in conjunction with the Memorandum of Understanding (MoU) and supplementary agreements between the UK Government, Scottish Government, Welsh Government and Northern Ireland Executive. The Concordat follows the principles set out in the MoU, the devolution settlements³, as well as the principles established under EU law as per Regulations EC 223/2009 and EU 2015/759 (The 'European Statistical Law').
4. Additionally all arrangements will comply with the Code of Practice for Official Statistics as well as relevant legislation such as the Statistics and Registration Service Act 2007, and associated Pre-Release Access Orders, and the Data Protection Act 1998.
5. This Concordat replaces the Inter-Administration Working Agreement on Statistics, which in turn replaced the Concordat on Statistics which formed part of the 2001 MoU.

Purpose of the Concordat

6. Co-operation with respect to statistics, both devolved and 'not devolved'⁴, is essential to ensure that, as far as possible, the UK statistical system meets the statutory and non-statutory needs of the UK Government, Devolved Administrations, international organisations and other users, now and in the future.
7. This Concordat provides the assurance that the UK Government and Devolved Administrations will continue to work together to reach consensus on how to best meet these needs, producing coherent/comparable statistics at UK and sub-UK levels, where appropriate; whilst recognising that the policy context within administrations might not always be identical and that official statistics should reflect local as well as UK user

¹ The UK statistical system covers all producers of official statistics within the UK.

² Head of the Government Statistical Service and Chief Executive of the UK Statistics Authority/Office for National Statistics.

³ The key legislation for the purposes of the devolution settlements is the Scotland Act 1998, the Northern Ireland Act 1998 and the 1998 and 2006 Government of Wales Acts, each as amended from time to time, and any superseding acts.

⁴ Definitions of devolved statistics are set out in the Statistics and Registration Service Act 2007 for the purposes of the Act.

needs. As such it recognises the dual accountabilities held by each of the Chief Statisticians in the Devolved Administrations: professional accountability to the National Statistician within the context of European Statistical Law and the Statistics and Registration Service Act 2007 and their accountability to their relevant legislatures. This is parallel to the dual accountability of the National Statistician under European Statistical Law and to Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly under the Statistics and Registration Service Act 2007.

8. Each party is committed to the common interest of promoting the integrity and independence of official statistics and adherence to high professional standards. The Concordat is not intended to constitute a legally enforceable contract or create any rights or obligations that are legally enforceable.
9. It specifies the basis on which the UK statistical system will:
 - identify the needs of the UK Government, Devolved Administrations, international organisations and other users for UK and sub-UK statistics;
 - prioritise these needs and reach consensus on the statistics to be produced;
 - produce coherent/ comparable official statistics in a way that represents good value for money;
 - influence and meet its requirements under EU law and other international obligations;
 - exchange data and other information, subject to legal restrictions;
 - consult with each other on areas of shared interest; and
 - co-operate on matters relating to professional standards and statistical staff.

Scope

10. The UK Government and Devolved Administrations engage with each other in regards to statistics in many different policy fora. This engagement will be handled in line with the general principles set out in this Concordat.
11. UK Government Departments and the Devolved Administrations each have a contribution to make to the provision of statistical advice and information to their own and other administrations, in relation to both devolved and not devolved matters, and to the production of coherent and comparable statistics (at international, UK and other geographic levels). However, this Concordat recognises that the priorities and objectives of each administration may not always be identical and this means that statistical requirements may differ.

12. This Concordat covers:

- any government activity involving the use of data for statistical purposes⁵ where two or more of the administrations have a direct interest as information providers or users;
- work carried out by producers of official statistics;
- activity associated with ensuring the maintenance of consistently high professional standards across the administrations in the production, provision and use of statistical information; and
- the development of administrative sources by public authorities and the use of these, and other sources, in official statistics.

13. It does not cover the use of administrative and other data for non-statistical purposes and does not cover the sharing of information about statistical advice that has been given to policy officials or Ministers⁶.

Areas of Joint Working

14. The administrations will work together to deliver an agreed suite of coherent, reliable, consistent and timely statistics about and across the UK to meet, as far as possible, the needs of the UK Government, Devolved Administrations and other domestic users.
15. Producers of official statistics will look to develop any new statistics in such a way that, whilst meeting the needs of primary users, aids coherence and comparability in the UK as well as internationally; whilst recognising that the policy context within administrations might not always be identical and that official statistics should reflect local as well as UK user needs.
16. Where new statistics are needed, under new and evolving devolution settlements, the statistical producers will consider, as far as appropriate, whether they should produce equivalent statistics where feasible, to a comparable level of quality, subject to there being a demonstrated user need and the necessary resources being available.
17. Producers of official statistics will continue to take opportunities to work together to improve the quality of official statistics and ensure value for money, identifying priorities and sharing expertise/best practice to make best use of available resources.
18. The administrations recognise their shared responsibilities to meet international obligations, such as those set out in EU law. They will work together to ensure these are met and to influence the development of new EU laws and international standards on statistics.
19. In accordance with the terms of the Concordats on EU policy and International Relations and EU laws, the Office for National Statistics (as NSI) will continue to co-

⁵ Including data obtained from administrative, survey and other sources.

⁶ Although administrations may agree to share this information.

ordinate the provision of UK and sub-UK data to international organisations⁷. The Office for National Statistics also co-ordinates input into developments in international standards and requirements, alerting UK Government Departments and Devolved Administrations to relevant developments as soon as possible.

20. Heads of Profession for statistics in UK Government Departments and the Chief Statisticians in Scotland, Wales and Northern Ireland will work together to ensure the UK meets its statutory and non-statutory international obligations.
21. This includes ensuring that data continue to be submitted on time, adhere to relevant international quality standards, and follow the European Statistics Code of Practice and UN Fundamental Principles of Official Statistics.
22. The administrations recognise that information they produce or hold (including both identified and aggregated/de-identified data) may be required for statistical purposes by another administration.
23. Subject to any legal restrictions, administrations will share data and other information with each other for their statistical purposes, promptly, subject to availability and agreements about cost sharing.
24. Where a legal gateway does not exist, and subject to there being demonstrated user need, statistical producers should work with the UK Statistics Authority with the aim of creating one.
25. The administrations will seek to minimise the burden on data providers, to maximise the efficient use of existing data sources and to facilitate efficient and secure data exchange, maintaining a shared level of trust across the UK Statistical System in regards to data access.
26. The UK Government Departments and Devolved Administrations will work together to ensure that where data are exchanged they are used for statistical/research purposes only, within any limitations on use set out in law and in data sharing agreements, and that the privacy of data providers (individuals or organisations) is safe-guarded at all times with data handled in line with government security guidelines; recognising the importance of this for public trust in the UK Statistical System.
27. Administrations will consult each other on areas of shared interest including relevant statistical work plans, data collection and forthcoming publications.
28. Administrations will seek feedback from others in relation to the development of new and existing data collections, particularly when such collections cross administrative boundaries.

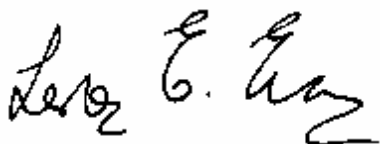
⁷ With other departments co-ordinating specific UK data for submission to Europe.

29. Where significant changes to, or cessation of, statistical outputs and/or data collections are planned that involve sub-UK data, administrations will seek feedback from others at an early stage and notify the National Statistician.
30. Permission for the ONS to publish devolved statistics is subject to section 20 of the Statistics and Registration Service Act 2007. Although not enshrined in legislation, in the spirit of continued co-operation all administrations will adhere to the principle that they do not publish statistics in relation to the functions of another administration without seeking consent and ensuring sufficient time is given for quality assurance and pre-release access.
31. Official statistics will continue to be produced within the existing framework for UK official statistics, following the Code of Practice for Official Statistics and other common standards such as the European Statistics Code of Practice and UN Fundamental Principles of Official Statistics.
32. The four administrations will work together to contribute to the UK Statistics Authority objectives as set out in the Statistics and Registration Service Act 2007.
33. The administrations will work together on issues affecting the statistics profession and producers of official statistics across the UK.
34. The Office for National Statistics, Scottish Government, Welsh Government and, where relevant, the Northern Ireland Statistics and Research Agency, will work together on the development of Government Statistical Service staff including the removal of barriers for movement and learning across administrations.

Implementation and review

35. The Concordat will be formally reviewed after one year by the National Statistician and Chief Statisticians from Scotland, Wales and Northern Ireland, and thereafter every five years – although a formal review can be held at any time at the request of any of these individuals.
36. The views of the National Statistician and all three Chief Statisticians must be sought on any proposed changes to the Concordat.
37. Where required, more specific arrangements will be contained within bilateral concordats between UK Government Departments (including the Office for National Statistics) and Devolved Administrations, or in other agreements such as Service Level Agreements (SLAs) and Data Sharing Agreements. Additional SLAs are only required if they add value to the principles contained in this Concordat, for example where the data are required to meet specific commitments/supply dates.
38. Such additional agreements must be consistent with this Concordat and are subject to the agreement of relevant parties.

39. If issues in relation to statistical matters across the UK statistical system cannot be resolved by those directly involved, the National Statistician will attempt to broker agreement. In the unusual circumstance that agreement cannot be reached, the National Statistician will raise issues with the relevant UK Government Department(s) and/or Devolved Administration(s) and then via the Joint Ministerial Committee Dispute, Avoidance and Resolution process if necessary.



Leslie Evans
**Permanent Secretary
Scottish Government**



David Sterling
**Permanent Secretary
Northern Ireland, Department of
Finance and Personnel**



Sir Derek Jones
**Permanent Secretary
Welsh Government**



Philip Rycroft
**Head of UK Governance Group,
Cabinet Office**



John Pullinger
UK National Statistician

5 September 2016

INTER ADMINISTRATION COMMITTEE

Terms of Reference

Purpose

1. The role of the Inter Administration Committee (IAC) is to promote coherence across the administrations of the UK and resolve inter-administration issues. The IAC works within the context of the Concordat on Statistics between the UK Government (including the UK Statistics Authority and Office for National Statistics) and each of the Devolved Administrations. The Concordat outlines the ways in which the four nations work together in relation to the production of statistics, for and within the UK, statistical standards and the statistics profession.

Responsibilities

2. The Committee's responsibilities are as follows.
 - i. Considering issues in relation to statistical matters across the UK system.
 - ii. Promoting policies, strategies and standards which facilitate the production of coherent and harmonised statistics across the administrations.
 - iii. Considering and resolving inter administration issues where they have not been resolved elsewhere.
 - iv. Liaising with, and supporting the work of, other GSS committees.
 - v. Considering UK government statistics needed for devolved purposes in reserved policy areas, and devolved statistics needed for UK purposes.
 - vi. Considering international issues including meeting international requirements.
 - vii. Escalating issues as appropriate.
 - viii. Reviewing the Concordat after one year, then every five years.
 - ix. Consider user need for statistics at UK level and for comparable sub-UK statistics, while recognising that individual administration will have specific requirements that need to be met.

Membership

3. Membership of the Committee will consist of:
 - i. National Statistician - Chair
 - ii. Chief Statistician, Northern Ireland
 - iii. Chief Statistician, Scotland
 - iv. Registrar General for Scotland
 - v. Chief Statistician, Wales
 - vi. Deputy National Statistician for Population and Public Policy
 - vii. Chief of Staff, UK Statistics Authority
4. Members of taskforces, working groups and other GSS groups and committees will be invited to attend as required. Heads of Profession will be invited to attend as required.
5. Substitutes will not be permitted to attend Committee meetings unless with express invitation from the Chair.

Meetings

6. The Committee will meet quarterly, with one meeting a year taking place in Cardiff, Belfast, Edinburgh and London. Room booking and refreshments will be the responsibility of the host administration. Secretariat will be provided by staff of the Central Policy Secretariat of the UK Statistics Authority.

Sub-committees

7. The Outputs Coordination Group (OCG) will report annually to the Committee. OCG may report any issues that cannot be resolved at a working level to the Committee on an exceptions report basis.
8. The Inter Administration Committee may commission OCG to investigate issues raised to the Committee as needed.

Escalation

9. As per the arrangements set out in the Concordat, if issues in relation to statistical matters across the UK statistical system cannot be resolved by the parties directly involved, the National Statistician will attempt to broker agreement between the statistical producers in dispute. In the unusual circumstance that agreement cannot be reached, the National Statistician will raise issues with the relevant UK Government Department(s) and/or Devolved Administration(s) and then via the Joint Ministerial Committee Dispute, Avoidance and Resolution process if necessary.

Review of the Terms of Reference

10. The Committee will review its Terms of Reference on an annual basis.

Secretariat, 1 June 2016

Purpose

This paper provides an update on the progress of the ONS Devolution project.

Background

In the run up to the Scottish referendum in 2014 ONS published a compendium of statistics to provide information on where statistics could and could not be compared across the four UK nations, this compendium built on the work of the GSS Task and Finish Group on comparable statistics. Under commission from the Inter Administration Committee (IAC), the ONS also led a Task and Finish Group to assess how devolution may change the demand for and the production of statistics. The work of this Task and Finish Group focused on economic statistics where it was perceived that most of any issues would arise and this was ratified to some extent by the Bean Review findings in 2016. A report was produced for IAC when the 2014/15 Task and Finish Group concluded its work. Subsequently a bid was made for devolution project under SR15 and this resulted in funding of £6.5m up to 2021/2022. The aim of the ONS Devolution Project is to deliver the outcomes below, for which funding was received as part of the SR15 bid in August 2015. The scope also includes improving statistics in Regional Pricing arena.

Points to note in reading this:

1. **Need to find solutions.** The work packages have clearly identified deliverables in recognition of the outcomes that are required to better meet the user requirement. This involves more timeliness of the information ONS produces and better granularity. An agile approach will be used as the project will need to evolve and adapt as the work progresses and provides more clarity on how realistic the initial deadlines were, particularly bearing in mind that this work is being done in the context of transformational change to ONS systems, tools and data holdings.
2. **Must respond to the needs of our stakeholders.** Ongoing stakeholder engagement will play a key role in this area and there is a need to respond to new / changing requirements from stakeholders. This could result in changes to work packages.
3. **Dependency on Admin Data.** We are attempting to make much more use of admin data, dependent on it being made available, and once we have it, working out what we have and how to use it. The Digital Economy Bill is a key dependency to sourcing of the data.

Regional Economic statistics

1. Expansion of the regional household account to include the final Household Account Consumption Expenditure (HFCE), on a range of consumer products, and allow derivation of the Savings Ratio at the NUTS1, NUTS2 and NUTS3 levels.
2. Further derivation of HFCE for Local Enterprise Partners (LEPs) areas following development of Gross Disposal Household Income (GDHI) for LEP areas.
3. Development of annual real Gross Value Added (GVA) for LEP areas, based on nominal income measures deflated using implied deflators from the real GVA production measure. Real GVA growth measures should then be available for 39 LEP areas, for the whole economy and by 11 broad industry groups.
4. Development of quarterly output indicators for the nine English regions (NUTS1 level), providing timely real GVA growth estimates for the whole economy and for a range of component industries (detail similar to UK quarterly Gross Domestic Product (GDP) measures, mostly 2-digit and 3-digit Standard Industrial Classification (SIC)).

5. Derivation of quarterly real GVA for England by aggregation of the nine regions (at the same level of industry detail).
6. Development of quarterly real GVA for LEP areas, using the NUTS1 level quarterly indicators to project forward from the latest annual GVA for LEP areas. Quarterly real GVA growth measures should then be available for 39 LEP areas, for the whole economy and by 11 broad industry groups.
7. Quality improvement to all regional real GVA measures from the use of regional prices.

Regional prices (Government Operational Research Services level (GORS))

1. Development of regional price indices at the NUTS1 level for a representative range of goods and services sufficient to provide deflators for quarterly regional real GVA measures covering the whole economy.
2. Quarterly inflation measures for NUTS1 regions of the UK.
3. Increase the sample of prices collected locally.

Public finances and classifications

1. Classification of new devolved bodies and transactions under National Accounts rules and guidance.
2. ONS work with devolved administrations to ensure that the devolution of taxes and/or expenditure does not lead to reductions in the timeliness, coverage and quality of data allowing ONS to meet its obligations to publish UK debt and deficit statistics.
3. ONS provides underlying public sector finances data to the devolved administrations to allow them to produce their own country specific statistics (as currently done with Scotland).
4. ONS produce an annual publication which provides a full fiscal account (which allocates public expenditure and revenue on who is impacted/benefited) for each of the devolved administrations on a consistent basis.
5. ONS produce an annual publication which provides a full fiscal account (which allocates public expenditure and revenue on who is impacted/benefited) for each of the devolved administrations on a consistent basis.

Co-ordination and analysis

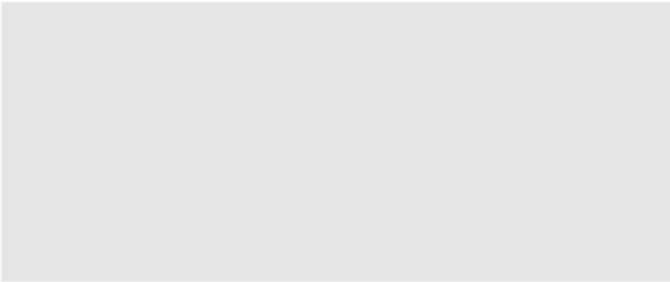
1. Small project team to work on constitutional arrangements between the ONS and devolved administration, manage co-ordination work with the devolved administrations and carry out a programme of analysis around areas of devolved spending.
2. Primary data collection and analysis of UK's data for the Eurostat Urban Audit Project which is part funded by Eurostat and provides an important part of the evidence base for cities.
3. Provision of sub national interpretation and analysis

ONS Devolution Work packages

1. **WP01 - Regional Balanced GVA.** Produce a balanced measure of regional gross value added (GVA), combining income and production measures, by end-2017.
2. **WP02 - Regional & Sub-regional HFCE.** Develop annual regional estimates of household final consumption expenditure and the household saving ratio, thereby extending the information on the economic impact of households in different parts of the UK.

3. **WP03 - Regional Short Term Indicators (RSTI) for England & Wales.** Produce regional quarterly output indicators for English regions (including GDP in volume terms and a 2 and 3-digit SIC breakdown).
4. **WP04 - Flexible Geography.** Provide a mechanism for compiling estimates for non-standard, flexible geographical areas by breaking down existing regional measures (mainly at NUTS3 level) to smaller areas, using indicator datasets, and building back up to customised area specifications.
5. **WP05 - Access to Admin Data.** Actively work with those departments within ONS who are responsible for providing admin data for the various work package teams with the aim of ensuring the admin data will be available when required.
6. **WP06 - Country & Regional Public Sector Finances.** Deliver estimates of annual UK public sector finances by country and region, to be first published in 2017. Continue to work with devolved administrations to provide them with the underlying data to allow them to produce their own country specific fiscal statistics (as is currently done with Scotland).
7. **WP07 - Ensure ONS Continues to have Access to Data after Taxes are Devolved.** Work with the devolved bodies to ensure there is no drop in the timeliness or quality of tax data reported in the monthly public sector finances bulletin, as taxation powers are devolved.
8. **WP08 - Exports of Services by Country & Region.** Publish experimental estimates of exports of services by region and country of the UK, supplementing existing HMRC information on trade in goods by region.
9. **WP09 - Stakeholder Engagement.** Deliver an enhanced programme of stakeholder engagement and actively engage with key customers.
10. **WP10 - Combine Estimates of Regional and Sub-Regional Productivity into a single publication.** These are currently published as separate outputs and will be combined into a single output published within the ONS Productivity bulletin.
11. **WP11 - Increase Scope and Timeliness of Small Area data.** Make improvements to the small area income estimates publication and provide a new publication providing small area poverty estimates. Continue to develop small area housing statistics and analysis.
12. **WP12 - Regional Prices.** Examine what can be done in the area of Regional Prices and look at the feasibility of undertaking further work in this area, subject to approval and funding.

Devolution Project QE660 - Breakdown of Costs by Area					
Cost Estimates Based Upon Actuals and Resource Projections	Actuals: April 16 - Jan 17				
	2016/17	2017/18	2018/19	2019/20	Total
Public Sector - SS09	£233,412	£449,305	£461,381	£466,075	£1,610,173
Regional Accounts - EL02	£188,834	£469,337	£451,619	£456,217	£1,566,007
Public Policy Devision - MD93	£414,344	£633,164	£634,090	£640,479	£2,322,077
Portfolio Management Division - FP14	£83,817	£69,211	£69,890	£70,575	£293,493
Total for Devolution	£920,407	£1,621,017	£1,616,980	£1,633,346	£5,791,750
Funding from SR15	£1,570,000	£1,690,000	£1,610,000	£1,630,000	£6,500,000
Variance	£649,593	£68,983	-£6,980	-£3,346	£708,250



Devolution Project

Summary of Project Scope and Workstreams

Devolution Project - Summary of Project Deliverables		As at 30th April 2017 Dates are indicative and subject to change															
		Qtr Ending	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
			O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	J A S
Work Package 1 - Regional Balanced GVA																	
May-17	Publish results of GVA balancing and commentary for consultation																
Aug-17	Publish consultation response and the way forward																
Dec-17	Publish Prov GVA(I) for 2016, GVA(P) for 2015, Balanced GVA for 2015																
Work Package 2 - Regional & Sub-regional HFCE																	
Oct-16	<i>Publish study on how to produce regional & sub-regional HFCE figures</i>																
Dec-17	Publish Household Final Consumption Expenditure test results for consultation																
Apr-18	Publish Consultation Response and way forward																
Jun-18	Publish HFCE at regional & sub-regional levels																
Work Package 3 - Regional Short Term Indicators (RSTI) for England & Wales																	
Oct-18	Publish STI Test Results for England & Wales & Commentary, for consultation																
Feb-19	Publish STI for English Regions (experimental stats)																
Dec-19	Publish Flexible Geog STI Test Results and Commentary for consultation																
May-20	Publish Flexible Geography STI Model and Commentary for England and Wales																
Work Package 4 - Flexible Geography																	
Mar-17	<i>Publish breakdown of GVA(I) to LA and LEP areas UK</i>																
Jun-17	Publish breakdown of GDHI to LA and LEP areas for UK																
Dec-17	Publish study into suitability of data to give GVA at the workplace zone level																
Apr-18	Publish Real GVA Volume Measure as Experimental Stats and Commentary																
Jun-18	Publish feasibility study into the use of PAYE, Self-Assessment data and SAIE data																
Sep-18	Publish GVA for Workplace Zones and Commentary for consultation																
Jun-19	Publish GDHI for OAs and Commentary																
Work Package 6 - Country & Regional Public Sector Finances																	
May-17	For FY15/16 publish experimental stats for I&E at Country & Regional levels for Cons																
Feb-18	For FY16/17 publish experimental stats for I&E at Country & Regional levels for Cons																
May-17	Publish Scoping Study for Sub-Regional PSF for Consultation																
Work Package 7 - Ensure Access to Data after Taxes Devolved																	
ongoing	SLAs as Required																
Work Package 8 - Exports of Service by Country & Region																	
May-17	Publish Initial Statistics																
Jul-17	Publish Improved Statistics																
Nov-17	Publish Statistics following consultation																
Work Package 9 - Stakeholder Engagement																	
Dec-16	<i>Stakeholder Engagement Plan approved</i>																
Apr-17	External Email Newsletter																
Oct-17	Annual User Event																
Work Package 10 - Combine estimates of regional and sub-regional productivity into a single publication																	
Jan-17	<i>Publish combined estimates of regional and sub-regional productivity in a single publication for FY15/16</i>																
Mar-17	<i>Productivity User Group</i>																
Apr-17	<i>Publish Rural Urban Productivity Publication</i>																
Aug-17	Publish Ad Hoc Productivity Results																
Jan-18	Publish refreshed regional and sub-regional estimates for FY16/17																
Work Package 11 - Increase Scope and Timeliness of small area data																	
Dec-16	<i>Publish SAIE for FY13/14, Poverty Estimates for FY11/12 & Commentary</i>																
Mar-17	<i>Publish Poverty Estimates FY13/14 and Commentary</i>																
Sep-17	Publish SAIE for FY15/16 and Commentary																
Dec-17	Publish Poverty Estimates FY15/16 and Commentary																
Jul-17	Publish cons paper on effects of area level admin data on model based income estimates																
Sep-18	Publish cons paper on suitability of admin data for SAIE at MSA for 'median' figures																
Dec-16	<i>Publish Qtrly House Price Stats for small areas for YE June 16</i>																
Mar-17	<i>Publish Qtrly House Price Stats for small areas for YE Sept 16</i>																
Apr-18	Publish paper on how FCA data can be used to enhance House Price Stats																
Work Package 12 - Regional Pricing																	
May-17	Southampton Uni produce feasibility study around regional pricing																
		Qtr Ending	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
			O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	J A S	O N D	J F M A M J	

UK STATISTICS AUTHORITY

SA(17)30

Data Collection Transformation Programme: Business Surveys Transformation Plan

Purpose

1. This paper presents the Business Surveys Transformation Plan as part of ONS' Data Collection Transformation Programme (DCTP), as requested at the January UK Statistics Authority Board.

Recommendations

2. Views are welcomed to feed into agreement of the shared milestones for both the Data Collection and Economic Statistics Transformation Programmes.
3. Members of the Authority Board are invited to:
 - i. note the approach taken in developing the Business Surveys Transformation Plan;
 - ii. note the key risks and dependencies associated with the Plan's delivery; and
 - iii. provide views on the Plan.

Background

4. The feature paper *Electronic Data Collection* presented at the January Authority Board meeting described DCTP progress and in particular, options for moving ONS business surveys online. At that point the 'roadmap' for business surveys transformation had not yet been fully developed following the enlargement of the programme in Summer 2016, from moving existing surveys online, to full transformation of surveys incorporating use of non-survey data¹.
5. The Board "...agreed that the priority should be to deliver transformation and integration, rather than simple translation² [online], and to invest in ways which maximise benefit... It would not be sensible to divert effort to putting surveys online which would not continue once administrative sources had come on stream, or once user needs changed"³.
6. The Board requested that a detailed plan for business surveys transformation should be presented, illustrating which surveys would be transformed and when, with clear milestones along the way. Since the January meeting considerable Portfolio prioritisation and milestone alignment has taken place, particularly between DCTP and the Economic Statistics Transformation Programme (ESTP). DCTP's approach to identifying and managing benefits has matured, with Deloitte undertaking an independent review of the benefits assumptions and developing cost models for the transformation of business (and household) data collection.
7. In light of this planning work, and the additional experience of the programme one year on, the business surveys transformation, and whole programme benefit profile, has been reassessed. An update was provided at the May meeting of the National Statistics Executive Group.

¹ This could be administrative data from other Government departments, or commercial, or 'Big' data.

² Surveys could be subject to one of the following or a combination of them: (1) *Translation*: Where a survey is moved online 'as is'; (2) *Rationalisation*: Where surveys are effectively combined with others, moved online and harmonisation of the data definitions collected takes place; (3) *Integration*: Where surveys are moved online with reduced sample sizes and/or, variables collected, given the use of non-survey data.

³ Extract from the UK Statistics Authority Board Minutes, 27 January 2017.

Discussion

Approach to developing the business surveys transformation plan

8. The existing 80 business surveys have been categorised into eight 'Survey Groups' which reflect surveys with synergies, likely to be rationalised/integrated. (The survey groups are defined at **Annex C**).
9. In producing the plan, these factors have been considered:
 - i. the Board's steer from the January meeting;
 - ii. ESTP's priorities for transforming surveys in line with planned improvements to economic statistics and national accounts;
 - iii. the timing of the expected availability of the various non-survey data sources;
 - iv. the need to be agile and build online data collection functionality incrementally; and
 - v. the need to realise efficiency savings.

Business survey transformation cash benefits

10. The table at **Annex A** summarises key economic statistics improvements planned and which business survey group transformation enables them. For example, Short Term surveys transformation will enable use of VAT and Pay as You Earn (PAYE) administrative data sources in production of short term Gross Domestic Product (GDP).
11. The chart in **Annex B** summarises the key deliverables, associated dependencies and estimated cash savings for the four highest cash saving survey groups which account for 80 per cent of the savings. Namely, the Short Term Surveys, Financial Surveys, Register Surveys and Annual Survey of Hours and Earnings, and the Structural Surveys. Note that most of the savings come from reduced sample sizes and questions, due to use of non-survey data, rather than moving online.
12. The associated reduction in total business surveys collection operating costs are also shown. By March 2023 this is estimated to be 30 per cent. There is potential for income generation through offering the online data collection service across wider government.
13. The cumulative benefit profile is shown in Table 1 below. The delivery of cash savings is slower up to the end of the current SR period compared to the 2016 DCTP Programme Business Case, but then attains a higher level of savings from 2021/22 (£3 million per annum as opposed to £2 million per annum). These revised savings are put in the context of the wider, revised, whole DCTP savings estimates, and the projected savings profile for Data Collection Directorate as a whole, in the next section of this paper.

Table 1 Estimated gross business survey transformation cash savings (£million)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Transformation cash savings	0.2	0.6	1.1	2.4	3.0	3.2
of which:						
Staff	-	0.2	0.6	1.8	2.4	2.6
Non-staff	0.2	0.4	0.5	0.6	0.6	0.6
Staff savings (full time equivalents)	-	12	24	69	98	98

14. The detailed plan at **Annex C** shows target dates for launching redesigned surveys and moving them online across 2017/18 to 2021/22⁴. Also current sample sizes, cost per survey and whether a survey is to be translated, rationalised or integrated. Note that where a survey is shown as 'Integrated' this includes any survey rationalisation and moving online (to remove risk of duplication).
15. A further few will be translated online before being later rationalised/integrated where there is value from realising cash savings quickly and building online collection functionality.
16. Apart from the Short Term Surveys (which fall into this category) and the Other Government Department Survey Group (which are small and lack synergies with other surveys); most surveys in each group are proposed for simultaneous rationalisation/integration and moving online.
17. **Annex D** shows a visual representation of the Business Surveys Transformation Plan across the eight survey groups, and the key dependencies, for the period 2017/18 to 2021/22.

Business survey savings in the context of DCTP

18. DCTP plans encompass transformation of all business and household surveys. The total annual cost of all surveys in 2015/16 (at the start of the current Spending Review (SR) period) was £37.3 million. Efficiency savings of 19 per cent (£7.1 million) are due by March 2020.
19. When combined with business as usual (BAU) efficiency savings we now estimate that Data Collection Directorate will deliver around £6.8 million (18 per cent) total savings against the pre-SR 2015/16 baseline cost of £37.3 million. In the longer term, benefits are predicted to be higher than originally expected – an additional £1.6 million by 2022/23.
20. Table 2 shows the estimated benefit profile across the whole of DCTP and BAU savings, and encompasses the estimated business survey cash savings presented in Table 1. Note that Table 1 is presented on the basis of cumulative savings; Table 2 is presented as savings per annum.

⁴ The first four business surveys were translated online by March 2017; further surveys depend on the replacement Response and Respondent Management Tool, as discussed at the January meeting. This is planned for November 2017 as part of ONS IT platform transformation.

Table 2 Total estimated cumulative gross DCTP benefits, plus ongoing total data collection efficiencies (£million p/annum)

	SR Period							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Data Collection Budget*	38.9	37.3	35.1	33.7	32.1	30.5	28.0	27.4
Ongoing efficiencies	-1.6	-2.2	-1.1	-0.3	-0.3	Budget estimates not available		
Transformation cash savings (business and household)	-	0	-0.3	-1.3	-1.3	-2.5	-0.6	-0.2
Total in year savings	-1.6	-2.2	-1.4	-1.6	-1.6	-2.5	-0.6	-0.2
Cumulative SR period savings		-2.2	-3.6	-5.2	-6.8			

*Note that this excludes additional income from new surveys and DCTP funding to allow direct comparison with the pre SR 2015/16 baseline cost

Business survey non-cash benefits

21. Non- cash benefits will also come in the form of improved quality, improved reputation and reduced burden of form filling on businesses. **Annex E** illustrates the estimated reduction in the number of questionnaires sent to businesses (this reaches 20 per cent in 2021), and the estimated increase in the number completed online (reaching around 1million in 2021 i.e. 85 per cent take-up).

Key Assumptions

22. The key assumptions underpinning the milestones are:

- i. The Digital Economy Act (DEA) recently passed enables timely access to administrative data for research from January 2018, and that data are of sufficient quality; similarly that commercial data sources prove suitable;
- ii. Resources are available for business change, and methodological work to redesign surveys and integrate non-survey sources into published statistical outputs;
- iii. Real time validation functionality within the online questionnaire will be in place reducing the need for subsequent telephone validation;
- iv. New IT processing platforms are available to support live implementation of redesigned online surveys⁵;
- v. In general, one year of parallel running is required to assess the impact on published economic statistics outputs i.e. before transformed surveys can be fully implemented; and
- vi. Across Portfolio planning and dependency tracking develops sufficiently to allow early, transparent resolution of cross ONS pressures.

⁵ Including Data Management, survey and non-survey data linkage through the Statistical Business Register, Statistical Methods and Statistical Production processing.

Key Risks and mitigation

23. The key risks to delivering the benefits are therefore:

- i. access to and quality of non-survey sources including administrative data;
- ii. business input to online survey redesign, Methodological resources and IT platform readiness; and
- iii. capacity and capability to deliver business change in Data Collection Directorate and National Accounts and Economic Statistics Directorate (NAESD).

24. Risk mitigations include:

- i. secondment of ONS analysts into HMRC; and seeking early access under the existing Statistics and Registration Service Act 2007 in order to analyse administrative data in advance of access via the DEA;
- ii. contracting out research where appropriate including use of Data Science techniques;
- iii. monitoring and prioritisation of the joint Plan with ESTP;
- iv. monitoring of the Platform Development Roadmap; and
- v. the introduction of Quarterly ONS Portfolio Reviews with escalation of issues to the National Statistician.

Delivery confidence

25. We have a good understanding of the activities and resources required to deliver the plan over the next two years relating to Short Term surveys. Beyond that, our confidence is lower and work is underway to understand the scale of methodological and business area resource that will be required across the eight survey groups.

26. It would be possible to progress quicker if the following transpired:

- Analysis of non-survey data proves it to be usable more quickly than anticipated; and
- Parallel running to assess impact on published economic time series was reduced and the associated statistical risk accepted.

27. There may also be an option to bring timescales forward by reducing the number of dependencies across the multiple transformation programmes. If we moved surveys more quickly online, and then utilised existing infrastructure, we could reduce dependencies. We are currently exploring this option to see if it could ensure both a smooth transition and reduced costs for ONS and data suppliers. However, there could also be increased processing risks and so we need to explore these fully before moving away from the current plan presented here.

28. Conversely, given the scale of the dependencies and risks it is possible that the completion of the overall roadmap could be delayed, as the dependencies prohibit significant flexibility to cope with shifting priorities.

Conclusion

29. Significant work has been done to align DCTP and ESTP business deliverables to ensure key dependencies are met, with further work required to validate the feasibility of this plan in the context of the three ONS transformation programmes.

30. Independent reviews by Deloitte have suggested that following re-planning, our cash benefits from business and household survey transformation will take longer than originally expected (by one to two years), but are expected to reach a higher level in the longer term. Given the new profile we are working within Data Collection Directorate to assess where the small shortfall in 2019/20 (£300,000), can be achieved.

31. Delivery confidence is increasing due to the recent track record of delivery. However progress is heavily dependent on our collective ability across ONS to deliver against our challenging office wide Portfolio over the next two years. We will need to develop

contingency plans for data collection savings in case of further shortfall due to any delays that may arise.

Pete Benton, Director, Data Collection Directorate
Debra Prestwood, Deputy Director, Business Statistics Transformation Division,
20 June, 2017

List of Annexes

- Annex A Summary of impact of business surveys transformation on economic statistics improvements**
- Annex B Estimated reduction in business data collection operating costs due to transformation with corresponding key milestones/dependencies**
- Annex C Detailed business surveys transformation plan as at June 2017**
- Annex D Pictorial roadmap of business surveys transformation plan as at June 2017**
- Annex E Estimated reduction in business questionnaires and increase in online take-up**

Annex A Summary of impact of business surveys transformation on economic statistics improvements

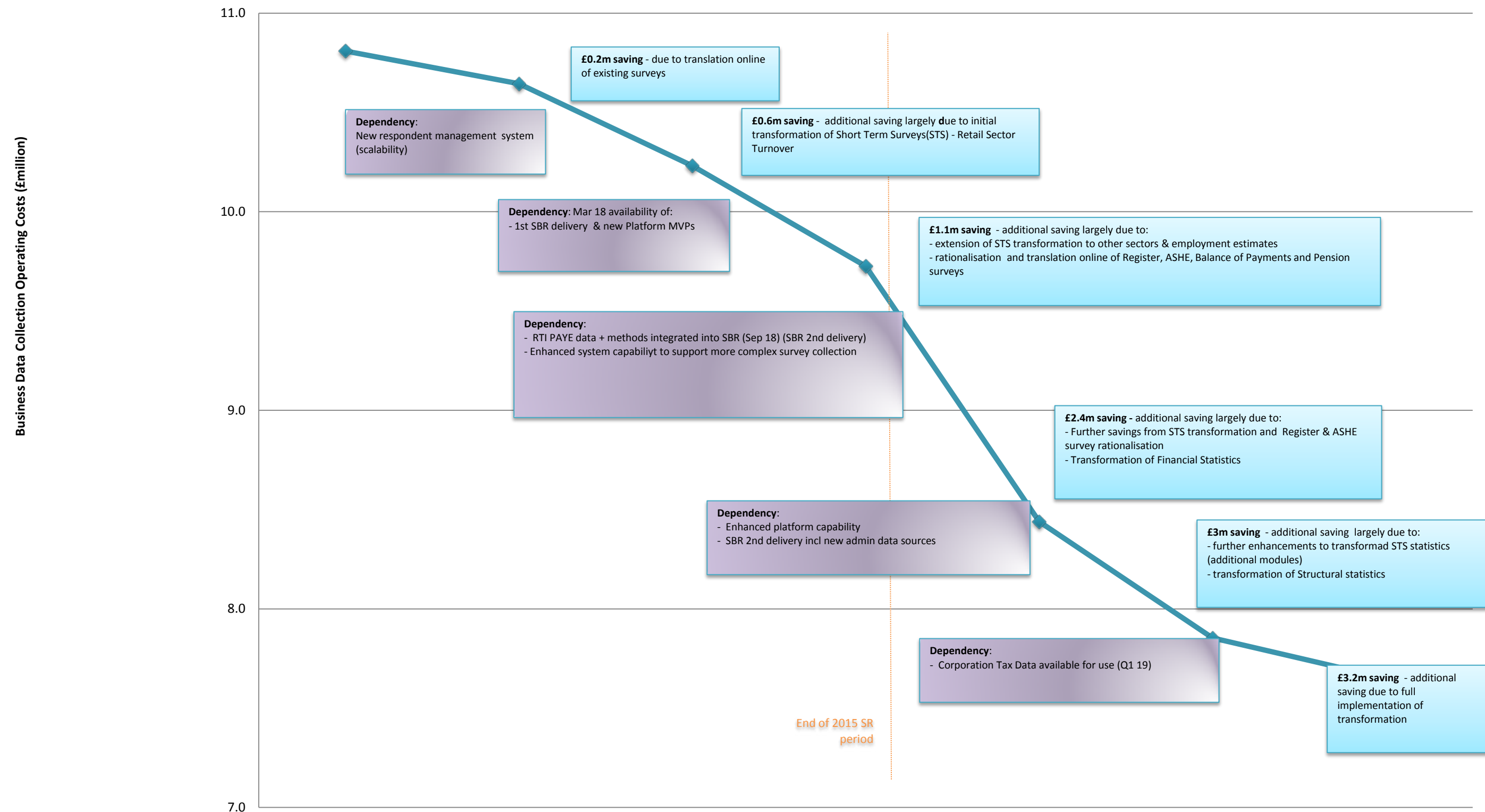
Business surveys transformation ¹	How does this impact improvements in economic statistics?	Target date for launching transformed survey(s)	Target date for implementation into National Accounts/Improved economic analysis
Rationalised/integrated <i>Short term</i> turnover and employment surveys to incorporate VAT and PAYE (RTI) administrative sources	<ul style="list-style-type: none"> Reduces sample size/questions collected and therefore data collection costs and business burden Provides foundation Statistical Business Register (SBR)² for linkage of new non-survey data sources and at the person and address level Provides improved coverage/quality of short term outputs including GDP Enables enhanced economic analysis at detailed industry and geographical levels 	<ul style="list-style-type: none"> Phase 1 Oct 2018 Retail sector turnover survey Phase 2 Dec 2019 (Remainder of turnover surveys and employment surveys) 	<ul style="list-style-type: none"> Quarter 4 2018 Quarter 1 2020
Rationalised/integrated <i>Financial surveys</i> to take account of use of commercial data sources e.g. Equifax credit reference agency data	<ul style="list-style-type: none"> Reduced/more efficient sample sizes/questions collected reduces collection costs and business burden* Enables production of Enhanced Financial Accounts (EFA) through better focussing survey resources Enables enhanced economic analysis <p>*Some areas (e.g. pensions) may require an increase in survey sample sizes to meet EFA requirements</p>	<ul style="list-style-type: none"> Phase 1 Jan 2019 Pensions surveys (Income & Expenditure) Phase 2 Jan 2020 Trusts, Insurance, Financial Services, Financial & Pensions assets/liabilities surveys 	<ul style="list-style-type: none"> Sept 2019 Experimental EFA in Blue Book Sept 2021 EFA (full production) in Blue Book
Rationalised <i>Register surveys</i> and Integrated <i>Annual Surveys of Hours and Earnings</i> to use PAYE(RTI)	<ul style="list-style-type: none"> Improves quality of ASHE sampling frame from using PAYE; hence improves small area earnings estimates Improves quality and maintenance of new SBR Enables enhanced economic analysis 	<ul style="list-style-type: none"> Apr 2019 Translation of ASHE online Sept 2019 Rationalised register survey Apr 2021 Transformed ASHE 	Transformed ASHE published Autumn 2021

¹ Survey groups shown in italics

² Required to enable transformation of all business surveys to link survey and admin data; and to enable sampling. The ability to link data at the individual business, person and address level i.e. integrated data, will enable improved analysis for users.

Integrated <i>Balance of payments surveys</i> – research into alternative data sources required first	<ul style="list-style-type: none"> • Potential reduced sample sizes/questions collected reduce collection costs and business burden • Enables enhanced economic analysis 	Mar 2020	Pink Book 2020 at the earliest
Rationalised <i>Product surveys</i>	<ul style="list-style-type: none"> • Enables introduction of ALLCOM i.e. whole economy measurements of goods and services sold • Improves GDP quality through increased coverage for annual Supply-Use Tables • Enables enhanced economic analysis 	<ul style="list-style-type: none"> • Phase 1 Spring 2020 (first two interim years of service sector survey being outsourced) • Potential Phase 2 Spring 2021 – further rationalisation with Structural surveys 	<ul style="list-style-type: none"> • Sept 2020 Blue Book • Sept 2021 Blue Book
<i>Business prices surveys</i> (post current planned sampling improvements)	<ul style="list-style-type: none"> • Improvements in deflators through alignment with ALLCOM development 	<ul style="list-style-type: none"> • Apr 2019 Translation online • Spring 2021 Potential rationalisation 	<ul style="list-style-type: none"> • May 2019 • Spring 2021

Annex B: Estimated Reductions in Business Data Collection Operating Costs Due to Transformation



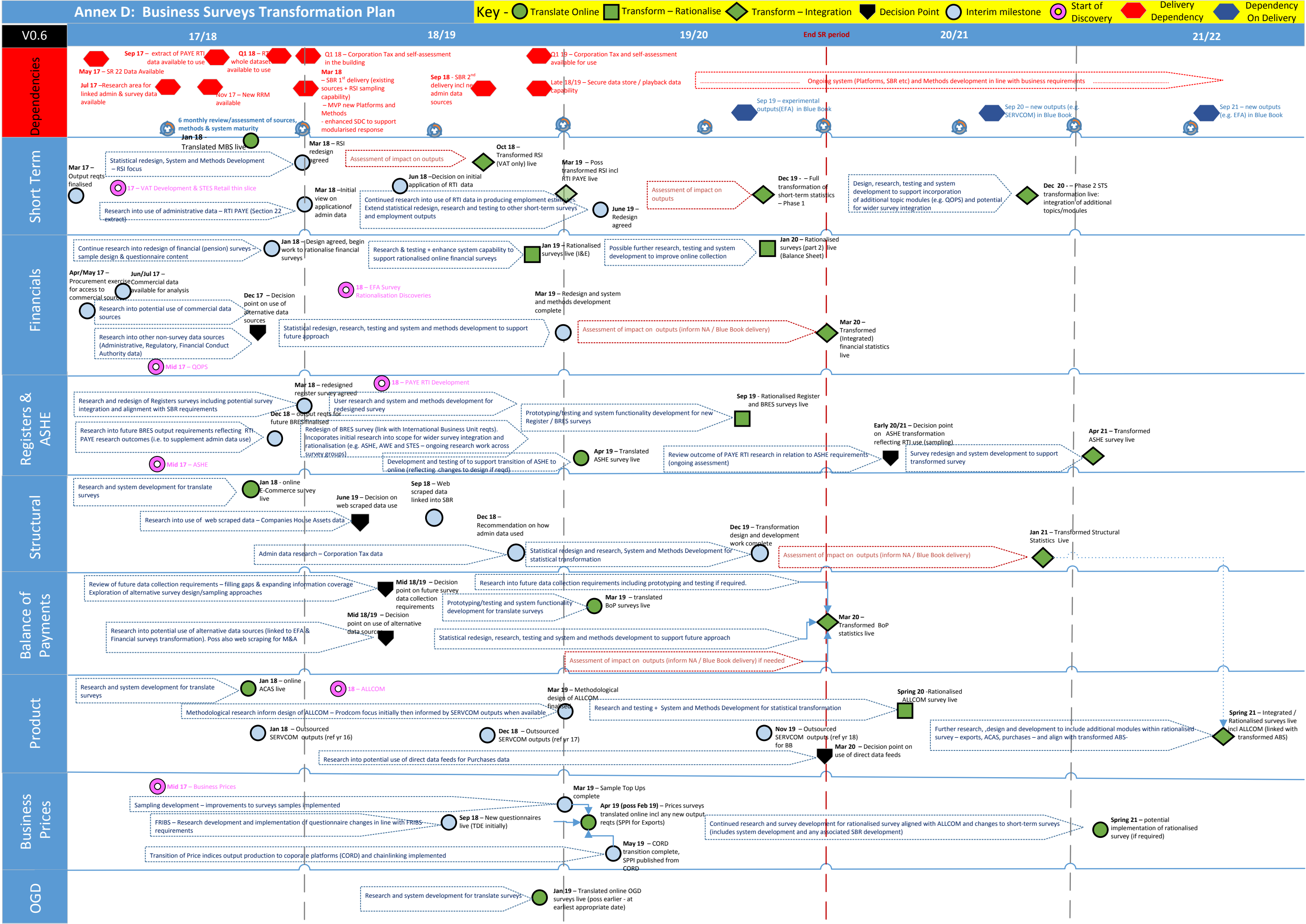
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Business Survey Operating Costs (£m)	10.8	10.6	10.2	9.7	8.4	7.9	7.7
Cumulative Savings (£m)		0.2	0.6	1.1	2.4	3.0	3.2

Annex C: Business Survey Transformation Plans as at June 2017

Legend:	Translate	Rationalise	Integrate
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Survey Group	Existing Survey	Sample Size per annum	Current Non-Staff Costs per annum	Current Staff Costs per annum	Sum total of Costs per annum	Target Implementation Date	Target Implementation Date	Estimated Reduction in Sample	Estimated Saving in Non-Staff Costs (post trans activity) (£thousand)	Estimated Saving in Staff Costs (post trans activity) (£thousand)	Total Estimated Saving (post trans activity) (£thousand)
Short-term Surveys	Retail Sales Inquiry	60,000	£31,340	£248,891	£280,231	Apr-16	Oct-18	50%	£262	£1,204	£1,466 Achieved in Year 21/22
	Quarterly Business Survey	21,200	£11,199	£25,594	£36,793	Mar-17	Dec-19	50%			
	Monthly Wages & Salaries Survey	111,600	£94,716	£527,509	£622,225	Mar-17	Dec-19	90%			
	Monthly Business Survey	384,000	£216,851	£902,191	£1,119,042	Nov-17	Dec-19				
	Quarterly Capital Assets & Disposal Survey	99,180	£105,595	£356,748	£462,343	Dec-17	Dec-20	25%			
	Stocks	22,800	£18,605	£147,820	£166,425	Dec-17	Dec-20	50%			
	Public Sector Employment: Local Authorities, Public Bodies, Other Government Departments	5,948	£5,288	£24,236	£29,524	Jun-18	Dec-19	100%			
	Welsh Index of Distribution	1,000	£667	£2,862	£3,529	Jun-18	Dec-19				
	Scottish Top ups				£0	Jun-18	Dec-19				
	Construction Output & Employment	96,000	£86,736	£886,706	£973,442	No	Dec-19	50%			
	Vacancies Inquiry	72,000	£37,453	£66,742	£104,195	No	Dec-20				
	Group total	873,728	£608,450	£3,189,299	£3,797,749						
Financial Surveys	Trusts	775	£2,813	£33,721	£36,534	No	Mar-20	0-50%	£17	£473	£490 Achieved in Year 20/21
	Insurance	1,366	£1,341	£107,497	£108,838	No	Mar-20				
	Pensions	3,092	£2,860	£70,632	£73,492	No	Mar-19	-55%			
	Occupational Pensions Scheme Survey	1,700	£21,743	£108,530	£130,273	No	Mar-19	80%			
	Financial Services Survey	16,000	£27,896	£324,784	£352,680	No	Mar-20	0-25%			
	Quarterly Profits Inquiry	4,500	£4,180	£62,543	£66,723	No	Mar-20	0-25%			
	Credit Grantors Monthly	280	£698	£21,800	£22,498	No	Mar-20				
	Financial Assets & Liabilities	2,880	£2,864	£43,076	£45,940	No	Mar-20	0-25%			
	Group total	30,593	£64,395	£772,583	£836,978						
Register and ASHE Surveys	Annual Survey of Hours & Earnings	110,990	£129,686	£461,730	£591,416	Apr-19	Mar-21		£206	£253	£459 Achieved in Year 21/22
	Business Registers & Employment Survey	81,375	£105,575	£694,230	£799,805	No	Sep-19				
	Business Registers Surveys	14,000	£15,518	£128,812	£144,330	No	Sep-19				
	Financial Institutions & Register Survey	12,000	£11,409	£113,267	£124,676	No	Sep-19	100%			
	Group total	218,365	£262,188	£1,398,039	£1,660,227						
Structural Surveys	E-commerce	11,000	£12,560	£188,056	£200,616	Jan-18	No		£31	£358	£389 Achieved in Year 22/23
	Annual Business Survey	62,500	£64,783	£665,435	£730,218	No	Jan-21	75%			
	Research & Development	4,000	£3,932	£125,184	£129,116	No	Jan-21				
	Private Non Profit (R&D)	100			£0	Jan-19	No				
	Group total	77,600	£81,275	£978,657	£1,059,932						
	Foreign Direct Investment Survey	11,586	£157,757	£530,770	£688,527	Mar-19	No				

Balance of Payments	Quarterly International Trade in Services	23,573	£26,348	£246,941	£273,289	No	Mar-20		£23	£177	£200
	Annual International Trade in Services	23,573	£26,348	£246,941	£273,289	No	Mar-20				Achieved in Year 21/22
	Mergers & Acquisitions	2,200	£2,107	£135,627	£137,734	No	Mar-19				
Group total		60,932	£212,560	£1,160,279	£1,372,839						
Product Surveys	Annual Capital Assets and Disposal Survey	2,500	£2,813	£114,427	£117,240	Jan-18	Jan-21		£37	£72	£109
	Purchases Survey	30,000	£31,080	£494,994	£526,074	No	Mar-20				Achieved in Year 22/23
	PRODCOM	22,700	£23,418	£425,563	£448,981	No	Mar-20				
	Services Turnover Survey	20,000	£20,554	£16,031	£36,585	No	Mar-20	25%			
Group total		75,200	£77,865	£1,051,015	£1,128,880						
Business Prices Surveys	EPI (incl. Recruitment)	15,900	£14,933	£69,353	£84,286	Jan-19	No		£6	£32	£39
	Import Price Index (IPI) incl recruitment	19,500	£18,969	£114,540	£133,509	Jan-19	No				
	Producer Price Index (PPI) incl. recruitment	24,381	£22,302	£304,055	£326,357	Jan-19	No				
	Services Producer Price Index	20,000	£18,589	£153,580	£172,169	Jan-19	No				
Group total		79,781	£74,793	£641,528	£716,321						
Other Government Department Surveys	Fuels	2,400	£2,345	£25,210	£27,555	Jan-19	No		£2	£5	£7
	BMI surveys	2,668	£2,188	£56,194	£58,382	Jan-19	No				Achieved in Year 20/21
	Electricity Generated	400	£339	£18,400	£18,739	Jan-19	No				
	Rails	160	£148	£2,474	£2,622	Jan-19	No				
Group total		5,628	£5,020	£102,278	£107,298						
Totals		1,421,827	£1,386,546	£9,293,678	£10,680,224				£584	£2,574	£3,159



**Annex E: Non-cash benefits: - Estimated reduction in business questionnaires
- Estimated increase in online take-up**

