

UK STATISTICS AUTHORITY

Minutes

Tuesday 24 October 2017

Boardroom, London

Present

UK Statistics Authority

Sir David Norgrove (Chair)

Professor Sir Adrian Smith (Deputy Chair)

Mr Jonathan Athrow

Ms Sian Baldwin

Dame Colette Bowe

Dame Moira Gibb

Professor David Hand

Professor Jonathan Haskel

Mr Ed Humpherson

Dr David Levy

Mr John Pullinger

Also in attendance

Mr Iain Bell

Ms Penny Babb (for item 7)

Mr Robert Bumpstead

Mr Joe Cuddeford

Ms Francesca Kay (for item 9 and 10)

Mr Richard Heys (for item 10)

Mr Nick Vaughan (for item 9 and 10)

Mr Philip Wales (for item 10)

Ms Heather Savory

Apologies

Ms Nora Nanayakkara

1. Apologies

- 1.1 Apologies were received from Ms Nora Nanayakkara.

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 28 September 2017 were agreed.

4. Report from the Authority Chair

- 4.1 The Chair reported that Dame Collette would be stepping down from the role of Chair of the Audit and Risk Assurance Committee after the next committee meeting. The Board recorded its gratitude to Dame Colette for her fair, insightful and probing chairing of the committee. Ms Nanayakkara would be appointed as Chair of the Audit and Risk Assurance Committee from 1 January.

- 4.2 The Chair reported on his recent activities, which included:

- i. A meeting with Bernard Jenkin MP, chair of the Public Administration and Constitutional Affairs Committee, on 11 October. The committee had scheduled a session on official statistics for 14 November.
- ii. A meeting with the Chris Skidmore MP, the Minister for the Constitution, on 19 October.
- iii. An introductory meeting with Sue Owen, Permanent Secretary at the Department for Digital, Culture Media and Sport (DCMS). The Chair had also met with DCMS statisticians as part of this visit.

5. Report from the Chief Executive [SA(17)40]

- 5.1 Mr Pullinger provided an overview of activity and issues for October.

- 5.2 Mr Athow gave a summary of the circumstances leading to an error in labour costs figures. This was quickly and openly communicated and the figure corrected within one working day. An investigation into the cause of the error had highlighted that there had been reduced time for quality assurance due to the late delivery of data from another area of the business. The Board considered the circumstances around the error and the following comments were made in discussion.

- i. Where there were quality concerns, sometimes the best course of action was to delay a release in order to ensure accuracy. In other cases it might be best to publish data on time but with caveats that there might be revisions. The right course of action – to delay or not – would depend on a number of factors including the type of statistic and the type of decisions which would be made based on it.
- ii. Timeliness and accuracy were both important elements of quality.
- iii. In terms of management, there were both cultural and process elements to consider. Clear lines of escalation and clear protocols around decisions on whether to delay or publish with caveats were required. Culturally, it was important that there was not a blame culture but also that accuracy was incentivised.

- 5.3 Mr Bell summarised recent media coverage of outputs from the census research programme. Following a consultation in 2016, ONS had been conducting further work on ethnicity, sexual orientation and gender identity. ONS would convene further discussions with interested parties to discuss how best to meet user needs and deliver statistics for the public good. Following this, ONS would make recommendations to Government, which would then publish a census White Paper.

6. Report from the Director General for Regulation [SA(17)41]

- 6.1 Mr Humpherson provided an update on regulation activity since the last Board meeting, highlighting the following.

- i. The Cabinet Office had published the initial results of its Race Disparity Audit. Mr Humpherson had welcomed the new website as an excellent example of user engagement. It was also the first example of an organisation adopting the Code of Practice on a voluntary basis.
- ii. On 18 October the Office for Statistics Regulation (OSR) held a round table on migration statistics with a range of stakeholders.
- iii. OSR was finalising a review of housing statistics in the UK which would highlight a number of areas for improvement.

7. Update on the Code of Practice consultation [SA(17)42]

- 7.1 Mr Humpherson introduced a paper which summarised the responses to the consultation on a revised Code of Practice. More than 100 responses had been received. A detailed summary would be provided to the Regulation Committee and the Authority Board in November before the revised Code would be published in the new year.

8. Principles for intervention [SA(17)43]

- 8.1 Mr Humpherson introduced a note which set out the factors that underpin the Authority's public interventions on the use of statistics. It was agreed that these principles would be published.

9. Economic statistics transformation [SA(17)44]

- 9.1 Mr Athow, Ms Kay and Mr Vaughan provided a progress update on the transformation of economic statistics and plans for the future.
- 9.2 The following comments were made in discussion.
 - i. The SERVCOM – an annual survey of goods and services - had been introduced using an external provider. This had worked out well.
 - ii. Economic statistics was working closely with the Data Science Campus and was making good progress with work on trade and flash estimates of GDP.
 - iii. The current technological focus was to develop systems to work with new data sources and produce more detailed, granular statistics in areas such as trade. Current systems were not ideal for this kind of analysis.
 - iv. A wide spectrum of stakeholders was being engaged with including central government, local authorities, devolved administrations, academia and business. The growing ONS presence in London meant that the team was becoming more effective at engaging with significant institutions based in the City.
- 9.3 The Board welcomed the progress made so far and supported the plans set out in the paper.

10. Understanding the productivity puzzle [SA(17)45]

- 10.1 Mr Heys and Mr Wales introduced a paper which set out some background on the 'productivity puzzle'; reviewed progress towards explaining this phenomenon; and plans for the future.
- 10.2 The meeting discussed the features and possible explanations for three 'puzzles': the long-standing gap between UK labour productivity and that of other advanced economies; the considerable dispersion of labour productivity across firms; and the sharp slowdown in the growth rate of UK labour productivity since the onset of the 2008 economic downturn.
- 10.3 Each of these three puzzles was being addressed by a different work-stream within the ONS productivity group. There were few definitive explanations at present, but the combined body of work published by ONS had helped to identify several key characteristics and had been welcomed by policy makers across government and beyond.

10.4 The Board commended the work carried out to date. Productivity analysis was considered to be a useful cross-office sense check of different economic estimates, and in this regard it has been helpful that the productivity team sat separately from other economic statistics production areas and could provide constructive challenge. The ONS productivity group was also a demonstration of what could be achieved when a work programme was structured around answering a set of questions.

11. Planning approach and appetite for risk [SA(17)46]

11.1 Mr Pullinger introduced a paper which outlined the ONS planning cycle and risk appetite statements.

11.2 The Board agreed that setting clear statements of risk appetite and strategic risk was important, so further conversations between non-executive directors and the risk team would be arranged in December to calibrate the statements.

12. Any other business

12.1 There was no other business. The Authority Board would meet next on Thursday 30 November at 10:30 in Newport.

UK STATISTICS AUTHORITY

Agenda

24 October 2017

London

09:15 – 13:00

Chair: Sir David Norgrove

Apologies: Ms Nora Nanayakkara

09:15 – 09:45: Non-Executive's Session

1 09:45-09:50 5 mins	Minutes and matters arising from previous meetings <ul style="list-style-type: none">• Declarations of interest	Meeting of 28-09-17
2 09:50-10:00 10 mins	Report from the Authority Chair	Oral report Sir David Norgrove
3 10:00-10:30 30 mins	Report from the Chief Executive	SA(17)40 Mr John Pullinger
4 10:30-10:35 5 mins	Report from the Director General for Regulation	SA(17)41 Mr Ed Humpherson
5 10:35-10:50 15 mins	Update on the Code of Practice consultation	SA(17)42 Mr Ed Humpherson
6 10:50-11:10 20 mins	Principles for intervention	SA(17)43 Mr Ed Humpherson
7 11:10-11:40 30 mins	Economic statistics transformation	SA(17)44 Mr Jonathan Athow and Ms Francesca Kay
8 11:40-12:10 30 mins	Understanding the productivity puzzle	SA(17)45 Mr Jonathan Athow and Mr Phillip Wales
9 12:10-12:25 15 mins	Planning approach and appetite for risk	SA(17)46 Mr Ben Whitestone
10 12:25-12:30 5 mins	Any other business	

12:30 – 13:00: Lunch

Next meeting: 30 November 2017, Newport, 10:30 to 16:00

UK STATISTICS AUTHORITY

SA(17)40

Chief Executive's Report, October 2017

Purpose

1. This report provides an overview of activity for October.

Summary

2. The last few weeks have been a test of our resilience, with teams across ONS managing a range of pressures and issues. Staff in many teams have been working above and beyond the call of duty to make sure that the figures are compiled well and get released in an orderly way. There have also been some notable new releases of figures from across the wider statistical system and some good indications that the system as a whole is strengthening.

Review of Recent Activities

3. Economic statistics have been very much to the fore. Substantial effort has gone into a major range of improvements to economic statistics in this year's "Blue Book" exercise. Many longstanding issues have been surfaced and resolved. The result has been revisions in a number of areas. We have prepared the ground carefully with methodological articles and seminars but there have still been a number of stories focused on the changes rather than the story of the UK Economy that the new figures tell.
4. This challenge of explanation has been made harder by an error in our labour costs figures - the first major error in some time. Whilst this was quickly and openly communicated and the figure corrected within one working day we still faced a barrage of commentators speculating about the consequences.
5. Alongside these challenges our census research programme has been the subject of quite intense scrutiny. Representatives of the Sikh community, with whom we have been engaging for some time, have been vocal in expressing their views on the appropriate census questions to reflect their identity. In addition, more recently, our research on gender identity has made headlines. These stories are a reminder to us that our role is to lead the debate to help reach collective agreement on these issues given the salience of identity in people's minds and the role of the census in giving it expression.
6. Other important developments include:
 - i. Provision of the latest gross national income figures to Eurostat. This year's figures are under even more than usually heightened scrutiny given their role in calculating the UK contribution to the EU Budget;
 - ii. Release of "ethnicity facts and figures". This Cabinet Office release drew on the work of GSS colleagues from many departments;
 - iii. New release on house prices per square metre and house prices per room. This is part of an initiative to add value to the data available to get beneath the headlines;
 - iv. Statisticians in the Department for Education have created a new visualisation of apprenticeships data to bring this topic to life; and
 - v. Heather Savory has hosted a cross Departmental workshop on data architecture to help ensure that what we are building in ONS is designed with wider applicability in mind. This work links with discussions we are having with research councils about how best to provide a data service to academia following the enactment of the Digital Economy Act.

John Pullinger, 17 October 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. **Casework:** Last month I mentioned the possibility that our casework volumes might increase following the Chair's letter to the Foreign Secretary. This increase has not yet materialised. Following the Board discussion, and the Chair's meeting with the Chair of the Public Administration and Constitutional Affairs Committee, I have prepared a separate paper on our approach to casework for this month's meeting.
- ii. **Code consultation:** We closed the consultation on the Code of Practice on 5 October. There is a separate paper providing an overview of the responses.
- iii. **Race Disparity Audit:** The Cabinet Office published the initial results of its Race Disparity Audit on 10 October, together with the Ethnicity Facts and Figures website. My team had provided extensive input and advice during the process of preparation of the audit and website. Following publication, I made a short statement welcoming the new site as an excellent example of user engagement. It is also the first example of an organisation adopting the Code's principles on a voluntary basis.
- iv. **Housing Review:** We are finalising our review of housing statistics in the UK, which we aim to publish in November. We highlight a number of areas of improvement.
Health and care statistics: We hold our second conference on health and care statistics on 28 November, which will focus on putting users at the heart of these statistics. Separately NHS England recently published its first consolidated set of performance statistics (as opposed to publishing separate outputs on referral to treatment waiting times, Accident and Emergency performance, ambulance response times, hospital episodes and other aspects of performance). While some aspects of this new publication could be developed further, it is good to see that NHS England and the other health statistics producers are giving greater thought to the presentation of a coherent picture of the English health system. It will be interesting to see how this output reflects NHS performance over the winter months, when we expect there to be a lot of scrutiny of NHS performance in the media, particularly from the BBC.
- v. **Economic statistics:** We continue to see progress on the development of economic statistics, both from new data sources and from a stronger set of economic analytical outputs, both from ONS itself and from the Economic Statistics Centre of Excellence. There are however some quality issues that impact on individual statistical outputs, such as productivity. We will be discussing this issue with the Regulation Committee in November.
- vi. **Parliamentary contact:** We have started to increase our Parliamentary engagement. I met with and then wrote to Lord Lipsey, who is chairing a House of Lords enquiry into the practices of polling companies and also chairs the All Party Parliamentary Group on Statistics. He was interested in our new Code and may want to draw on it as a model for polling companies. I also met with several MSPs in Holyrood about chronic pain statistics for Scotland; and we are preparing for an appearance before the economics committee in Holyrood to give evidence on Scottish economic data.

- vii. **Migration:** on 18 October, after writing this update, we held a round table on migration statistics with a range of stakeholders. I will update the Board orally on any key points that emerged.
- 4. The main challenge remains updating the Code so that the Authority can launch a new Code at the end of this year or early in 2017.
- 5. The dashboard summary of regulatory activities is at **Annex A**.

Ed Humpherson, Director General for Regulation, 18 October 2017

List of Annexes

Annex A Regulatory Activities

Annex A Regulatory Activities October 2017

Economy	Health and social care	Business, industry, energy and trade	Crime and justice
<ul style="list-style-type: none"> Preparation for expert panel ahead of Scottish Parliament's Economy Jobs and Fair Work Committee on 7th November. Review of ONS handling errors in the unit labour costs statistics released on 6th October as part of the Labour Productivity release. Report to Regulation Committee on 9th November Compliance Checks continuing on HMRC Tax and National Insurance Statistics, HMRC Stamp Duty statistics and Scottish Government Export Statistics. Reports anticipated late November. Phase 2 Assessment of UK and NI House Price Index: Assessment ongoing, with findings considered at November Regulation Committee. 	<ul style="list-style-type: none"> Systemic Review: The stocktake of UK health and care statistics is underway, we are working to deliver the health and care conference for 28 November, next stage of our work we will be looking at cross-UK comparisons. Regulatory Services: Reviewing health and care statistics labelled as 'management information'. Assessing two sets of official statistics (Avoidable Mortality and Cancer Survival) with aim of eventually obtaining National Statistics status. Casework: Publish a letter to ISD Scotland about their Chronic Pain statistics and a letter to the Scottish Government concerning a news briefing on cancer waiting times. 	<ul style="list-style-type: none"> UK Trade: Following progress review at September's regulatory committee, further analysis on contributions to trade asymmetries is awaited from the ONS to inform re-designation decision. In the interim performance indicators for re-designation are being drafted and meetings with key users are being sought (DiT) Construction Output and Prices statistics: Assessment process started on 9th October. 	<ul style="list-style-type: none"> Police: Published response to Dame Vera Baird's letter on the accuracy of ministerial statements about police funding. Justice: Started meeting stakeholders as part of the systemic review of the public value of justice statistics in the UK. Aiming to publish a statement in March and to use the results to inform next year's work plan. Crime and Criminal Justice: Following roundtable with producers, ONS, MoJ and HO met on 28 September to start work on joining-up criminal justice statistics.
Labour market	Housing, planning and local services	Children, education and skills	Agriculture and environment
<ul style="list-style-type: none"> Income/Earnings: Met with ONS team to discuss ASHE/AWE and plans for earnings hub. Compliance checks: Initiated compliance checks of ASHE and AWE statistics (ONS) and fraud and error statistics (DWP) 	<ul style="list-style-type: none"> Housing Review: We have developed our findings and identified several areas for improvements to these statistics. We will publish these findings in late-October. 	<ul style="list-style-type: none"> Confirmed Pupil and Schools statistics as National Statistics, finalising Compliance Check of Scottish Funding Council College Performance Indicators. Systemic Review: Review on innovation in CES stats – 5 responses received so far HoP: Neil McIvor is new DfE HoP 	<ul style="list-style-type: none"> We initiated two compliance checks: Total Income from Farming and Bovine TB. We will be meeting with the teams in Defra in November to discuss our findings and next steps.
Population	Culture and identity	Security, defence and intl relations	Travel, transport and tourism
<ul style="list-style-type: none"> Migration: First migration roundtable on international migration, employment and business on 18th October, with a further roundtable scheduled on 16th November on service delivery. 	<ul style="list-style-type: none"> No significant activity 	<ul style="list-style-type: none"> No significant activity 	<ul style="list-style-type: none"> Casework: Responded to enquiry about analysis in the HS2 white paper and engaging with Transport Focus about presentation and use of National Rail Passenger Survey.

UK STATISTICS AUTHORITY

SA(17)42

Consultation on the refreshed Code of Practice for Statistics

The consultation response has now been published at

<https://www.statisticsauthority.gov.uk/publication/code-of-practice-for-statistics-consultation-response/>.

The Authority's role in making public interventions on the use of statistics

Purpose

1. This note sets out the factors that underpin the Authority's public interventions on the use of statistics. It follows the Board discussion at our last meeting in Belfast, and underpins the draft correspondence with the chair of the Public Administration and Constitutional Affairs Committee.

Background

2. Making public statements about the dissemination and use of statistics has been an important part of the Authority's work since its inception. It was addressed by a Board paper in 2011, and by discussions at the Committee for Official Statistics in 2014, at the Authority Board in 2015 and at the Regulation Committee in 2016 and 2017. The papers produced in 2014, 2015, 2016 and 2017 provided an annual update on the implementation of the Board's overall policy on public interventions, and also reported on the volumes and characteristics of the cases addressed.
3. In making public statements, the Authority is guided by its overarching statutory objective to safeguard the production and dissemination of statistics. Section 8 of the Statistics and Registration Service Act (SRSA) provides for the Authority to monitor the production and publication of official statistics, and to report any concerns it may have.

Principles to guide intervention

4. In carrying out this role, the Authority recognises that it is not an arbiter of political debate, and that each example of the use of statistics takes place in a different context. We are guided by a series of long-standing principles, which were shared with the Board in the 2011 paper and the subsequent updates, but have not been published. These principles are that:
 - i. the Authority will intervene if official statistics are leaked before publication; or
 - ii. if the advice of professional statisticians was ignored; or
 - iii. if official statistics in a document or statement are presented in such a way that, in the Authority's opinion, they are liable to mislead the public or undermine the integrity of official statistics. Paragraph 5 expands on this criterion.
5. In considering whether documents or statements are liable to mislead, we consider a range of factors. We take into account:
 - i. the standing of the person responsible for the misleading statement (for example, whether that person, by virtue of holding a public office would be expected to make authoritative statistical statements);
 - ii. the context in which the statement is made (for example, distinguishing speeches and publications from off-the-cuff remarks in interviews or debate);
 - iii. the extent to which the statement might be misleading - for example, if a third party who relied on the statistical statement might reach an incorrect or unreliable conclusion;
 - iv. the extent to which the statement might undermine public confidence in the integrity of official statistics; and
 - v. we also consider whether this is the first time the issue has arisen or whether it is a repeated issue.

Scope: official statistics and wider information

6. While it is the case that our formal statutory remit concerns "official statistics", we take a broad view of what falls within our scope. Under the Act it is for each producer to define

whether a publication is official statistics, and this results in a diversity of practice— for example that published data on the funding of police forces are not official statistics. Moreover, for a member of the public or Parliament who observes the publication of numerical information, the distinction between “official statistics” and other forms of data may well seem artificial. As a result, we will often state in our responses that, even though data are not defined as official statistics by the publisher, we will consider the case on the basis of the principles of the Code of Practice. The new Code more explicitly enables this broader application of the Code’s principles.

7. It is also important to be clear that official statistics generally relate to descriptions of a current state of the world. For economic forecasts, we recognise that there are a wide range of potential assumptions and methodologies, so that different forecasters can arrive at quite different conclusions, and therefore support different claims about, for example, the economic impact of leaving the European Union. Nevertheless, we typically would restate our basic expectations around transparency of methodology and assumptions. We have also taken the view that published annual accounts of Government entities, which are prepared under International Financial Reporting Standards and are audited by the National Audit Office, should not fall under the “wider application” approach – because there are already sufficiently rigorous arrangements to establish the reliability of these types of statement. However, there may be a case for considering the unaudited performance information which accompanies the financial statements as official statistics, but we have not often encountered concerns about this aspect of public reporting of Government data.

Sources of cases

8. In terms of the sources of the cases, matters come to our attention in two ways. First, our own analysis may identify a concern. We will consider whether the issue is best resolved by a public statement from us, or by private representations to the statistical producer.
9. Second, we consider all complaints that come to us from the public, elected representatives or organisations. This does not mean we always provide a substantive response. In some cases, we will conclude that the question raised is not about the production or use of official statistics; or that it is more appropriate that the statistical producer responds directly. We also form a judgement, based on the materiality of the issue and whether it is a matter of public debate, as to whether to place any response we make on our website. Where we do conclude that our correspondence with a member of the public should go on our website, we always seek their permission before doing so. If the complaint comes from an organisation (for example, a business or a political party) we place our response on our website (especially where the letter raising the issue with us has already been published by the complainant).

Discussion with producers

10. We usually communicate with the organisation that produces the relevant official statistics or data to get their perspective on the issues raised in the case. This involves contacting the Head of Profession/chief statistician. Where the Head of Profession recognises that the producer has made a mistake or undertakes to clarify promptly an aspect of the statistics, we can decide not to write publicly or to simply welcome their actions. Where the issue relates not to the publication and dissemination of statistics, but to how they are used by others in political discourse, contacting the Head of Profession for a briefing is not necessary. But in all cases we aim to share any letter in advance of our publication - not for clearance but to make the producer or person who made the statement aware of our thinking and intention to publish.

Responsibility for Authority responses

11. In determining our response, we have adopted the broad principle that where the issue relates to the production of statistics and their dissemination by a Government department, this should be dealt with by the Director General for Regulation, who heads the Office for Statistics Regulation. These cases typically relate to compliance with and interpretation of the Code of Practice for Official Statistics.
12. Where the issue relates to broader political use, especially by Ministers and elected representatives, the Authority Chair will respond, bearing in mind the requirements of the Code.

Public reporting

13. Any letter we wish to make public is placed in the “correspondence” part of our website. Very significant letters will also be highlighted on the front page of the website.
14. Where a response remains private, we will nevertheless record it in our database, and include it in our Issues log, which summarises anonymously all the issues brought to our attention. (This Issues log is somewhat out of date – it only runs up to February 2017 – and it needs to be updated.)

Ed Humpherson, Director General for Regulation, 18 October 2017

Economic Statistics Transformation

Purpose

1. This paper provides the board with a progress update on the transformation of economic statistics and presents the current thinking of the future state of our statistics, data sources, systems and operating model.

Recommendations

2. Members of the Authority Board are invited to:
 - i. note the progress made in the last year;
 - ii. consider the identified challenges and risks and provide comments; and
 - iii. comment on the current thinking of the future state of Economic Statistics.

Background

3. In October 2016, the Authority Board was provided with an update on the Economic Statistics Transformation Programme (ESTP) including progress towards building capability and initiatives such as the Economic Statistics Centre of Excellence (ESCOE). In April 2017, the Board heard about plans to improve economic statistics through initiatives including ESCOE and other research. More recently in July 2017 an overview was provided of progress in economic statistics against the strategy and future.
4. As part of the Spending Review 2015 (SR15) ONS submitted a detailed set of transformation proposals to Her Majesty's Treasury (HMT). Separately, in the Budget 2015, Sir Charles Bean was commissioned to undertake a further review of economic statistics, building on those delivered by Kate Barker/Art Ridgeway¹ and Paul Johnson² in the previous two years. The Independent Review of Economic Statistics³ (the "Bean Review") made a number of recommendations which were then funded by HMT in the Budget 2016.
5. The ESTP was established in order to provide a coherent and consistent approach to delivering the commitments from both the SR15 submission and the Bean Review (**Annex A** - Funding Summary).
6. At the heart of the UK Statistics Authority Strategy, "Better Statistics, Better Decisions" is a collective mission of the official statistics system: *"High quality statistics, analysis and advice to help Britain make better decisions"*.

Discussion

7. For economic statistics, the overarching strategy is set out in the Economic Statistics and Analysis Strategy which was published in July 2017⁴ following a period of external consultation. This lays out how Economic Statistics will help deliver "Better Statistics, Better Decisions" with the central part of our strategy being the improvement of economic statistics to keep pace with the rapidly changing nature of the economy. The vision for economic statistics in 2020 is: *"ONS has inquisitive experts providing users with insightful, innovative economic statistics and analysis"*.

¹ <http://webarchive.nationalarchives.gov.uk/20160108133629/http://www.ons.gov.uk/ons/rel/mro/news-release/independent-review-of-national-accounts-published/independent-review-of-national-accounts-published-nr.html>

² <https://www.statisticsauthority.gov.uk/reports-and-correspondence/reviews/uk-consumer-price-statistics-a-review/>

³ <https://www.gov.uk/government/publications/independent-review-of-uk-economic-statistics-final-report>

⁴ <https://www.ons.gov.uk/methodology/classificationsandstandards/economicstatisticsclassifications/economicstatisticsandanalysisstrategy>

8. The Programme has four key objectives:

- i. High quality statistics, analysis and advice*
 - Publish a wider range of economic statistic outputs and analysis in response to evolving user needs
 - Improved methods and the quality of economic statistics to meet international regulations and best practice, including in response to review recommendations.
- ii. Rich data sources*
 - Exploit the potential of data sharing by making increased use of administrative, regulatory and commercial data to produce new and improved economic statistics and analysis
- iii. Efficient systems and processes*
 - Modernise and integrate systems to provide more flexible processes to support changing user needs more effectively
 - Use new business processes and systems to support a more efficient, fit-for-purpose operating model which brings research and collaboration into the heart of improving the production of economic statistics and analysis
- iv. Capable, helpful and professional people*
 - Work in partnership with stakeholders, including academics, to complete research and translate this into quality improvements to economic statistics
 - Develop our capability by increasing analytical skills via the development of in-house talent and recruiting the required skills

9. However, we recognise that this is not a fixed position and we have to remain flexible. We continue to adapt our approach and priorities as stakeholder requirements change. For example, since the EU referendum result there has been an increased focus and priority on the improvement and enhancement of trade statistics and we have mobilised resources accordingly. The current roadmap is included in **Annex B**.

Successes to date

10. Progress against the ESTP programme is currently being reported as amber, but we anticipate returning to amber/green by the end of the year. Since the inception of the programme we have had a number of notable successes across our four key objectives:

- i. High quality statistics, analysis and advice*
 - This year we implemented significant, complex and challenging improvements to the National Accounts that had a profound impact on key economic data (notably estimates of balance of payments and the allocation of domestic income with impacts on the financial accounts, for example, the saving ratio).
 - The delivery of a substantially increased range of productivity statistics in terms of granularity and type.
 - The delivery of a wider range of key statistics for devolved and local areas, such as the recent Public Finance publication.
- ii. Rich data sources*
 - VAT administrative data transforming Gross Domestic Product (Output) (GDP(O)) production from December 2017.
 - Establishment of our first data partnerships with commercial providers, (Equifax and Thomson Reuters) as part of the Enhanced Financial Accounts initiative.
 - SERVCOM - this annual survey of goods and services has been introduced to help improve the measurement of service sector activity, using an external partner as an alternative delivery model. This collaboration is progressing very successfully with the response rate on target and early indications are showing the data is of the required quality.

- In partnership with the Bank and through the use of secondees we have been exploring two regulatory data sources held by the Prudential Regulatory Authority. Solvency II has the potential to replace large parts of our existing insurance surveys and European Market Infrastructure Regulation (EMIR) has the potential to cover the finance instrument derivatives. A member of the Enhanced Financial Accounts team should be seconded to the Financial Conduct Authority in the very near future to work with their regulatory data.
- iii. *Efficient systems and processes*
- A completed Gross Fixed Capital Formation (GFCF) System development offering improved quality of capital statistics from January 2017.
 - Trade system developments offering improved quality and granularity of trade statistics from November 2017, with the new system in place from January 2018.
- iv. *Capable, helpful and professional people*
- Significant improvements in analytical capacity. ONS now has 106 economists within an aggregate total of 662 analysts in the four professions, excluding sandwich students.
 - The launch of the Economic Statistics Centre of Excellence (ESCoE) through which we have opened a significant pipeline of new research.
 - Collaboration with the Data Science Campus, which is taking forward innovative work, particularly around 'superfast indicators' of GDP growth and the use of administrative data to estimate corporate profits.

Future state – High quality statistics, analysis and advice

11. The world around us is changing quickly and we need to be able deal with fast-emerging phenomena and to answer new questions. For example, globalisation is affecting the location of economic activity, meaning that we need a system of economic measurement that can adapt to such changes – we have formed an International Business Unit to take forward work in this area. There is also growing interest in understanding the gig economy (with the emergence of new companies such as Uber) and new sectors such as the digital economy. The same need for increased speed and detail will also affect our labour market and inflation statistics. Greater use of administrative data offers the ability to provide more timely and granular information on the labour market. For inflation statistics, we want to be able to blend together a variety of data sources e.g. 'scanner data' from supermarkets with web-scraped data to produce near to real time measures of consumer price inflation.
12. We also need to expand our portfolio of statistics to capture poorly measured parts of the economy. In the past our understanding of the financial flows in the economy was poor, meaning we did not understand the build of up liabilities ahead of the financial crisis. The Enhanced Financial Accounts project, a joint initiative with the Bank of England, will provide a much more detailed and timely understanding of those financial flows.
13. At the same time, we are developing a more detailed understanding of the UK's productivity performance to help understand the productivity puzzle (see parallel paper). This remains the overarching priority for economic growth and was the driver for the Bean Review. Understanding the productivity puzzle requires us to gain new insights into the economy and to assess whether the current data is misleading in anyway. This requires us to provide a new improved set of productivity statistics and analysis.

Future State – Rich data sources

14. We have established a clearer picture of potential new data sources, although we continue to attempt to identify further ones. We have focussed on how our statistics will look as a result of changes to those sources, methods and the research we are undertaking. Our vision is to have timely economic and detailed data:

- i. In the immediate term, we need to closely monitor the economy as the UK leaves the EU. Policy makers need early warning of any slowdown so they can consider how to respond. In the past, our data has struggled to identify turning points. New data such as VAT will be helpful in corroborating our survey data;
 - ii. In the short term, there is a need for better data about the UK's trade, and how that trade affects the wider UK economy. There is a need to understand the products the UK trades, the industries that produce those goods and services and the countries with whom the UK trades; and
 - iii. In the longer-term, the Government looks likely to utilise a more fully-formed industrial strategy. This requires a detailed understanding of different industries and the geographies in which they operate.
15. A key focus will be the continuation of exploring administrative and external data sources more fully. The current research being undertaken to ready administrative data for its 'primary use' (i.e. substituting VAT turnover data for Monthly Business Survey turnover data) has taught us substantial lessons about the potential to use this data, either alone or in combination with other data for a number of secondary uses.⁵
16. We expect the focus of work to start evolving from data acquisition and the primary use of data to more secondary uses at the end of the SR period and in the next SR settlement.
17. These secondary uses are for the more sophisticated combination of VAT with other data. For example, bringing together VAT data and PAYE data should allow us to infer companies' operating margins. Over time, we expect the focus of our efforts to move increasingly to this secondary use of data.

Future State – Efficient systems and processes

18. We are working closely with colleagues in Digital Services and Technology (DST) to develop new capability to support the delivery of Economic Statistics priorities which will include the re-development of our existing systems onto the new platforms. In order to meet our short term needs whilst aligning ESG with the technology strategy for the Office we are adopting a two tier approach as follows:
- To deliver some interim solutions on the new technology for data collection and statistical processing business systems that meet the immediate needs of ESG but which have minimal impact on DST allowing them to focus on developing the enterprise level platforms; and
 - Feeding in our requirements into the enterprise level platform developments ensuring our mid to long term strategic goals can be met.
19. The focus on our work with DST is to provide the technological capability for our staff to allow them to explore the new data sources and produce the more detailed, granular statistics and analysis in areas such as Trade and the more detailed industry and geographical breakdowns which our current systems are largely unable to produce. Thus, the Data Access Platform remains a priority for ESG as it provides a mechanism to allow us to load and explore not only the new data sources (such as PAYE and EFA data), but also to carry out research, ad hoc analysis and to prototype new methods. We will look to replace existing systems in parallel to this work where possible, focusing on those that align with our priorities (and so need redeveloping) and which present the biggest risk and cost to ONS.
20. ESG currently uses 196 business systems across 15 different technology platforms. By 2020 the aim is to move around 80 statistical production processes onto new technology

⁵ For example, we can use VAT Turnover to also check Annual Business Survey turnover estimates, and if we combine VAT Turnover and Expenditure data with PAYE salary data we should be able to 'back-out' by residual a measure of operating margins which we can use to check results from the QOPS survey. This should also support wider congruency checks.

platforms. This leaves around 170 to be successfully transitioned in the next SR, including a full translation of CORD onto the new platforms. (See **Annex C**). We will look to identify ways to accelerate this work if possible, as we gain more experience and understanding of working with the new platforms and after the outcome of DST's initiative to pilot alternative ways of migrating legacy systems.

Future State – Capable, helpful and professional people

21. To deliver clarity on our long-term direction of travel to staff we have been developing a new Target Operating Model (TOM) for Economic Statistics Group (ESG).
22. In terms of embedding the transformation elements of ESG to ensure a continual improvement of our statistics, we believe that it is essential to better integrate and manage research, architectural and development decisions. To deliver this we are in the process of moving to the delivery of an 'Innovation Wheel', which we propose to launch fully in coming months.



23. The key principles of the Innovation Wheel are:
 - i. Putting stakeholders at the heart of our work, ensuring we are open and transparent at all stages of innovation in economic statistics;
 - ii. Putting ONS more in control of its own destiny by horizon-scanning for new issues, rather than waiting for external reviews to direct our development activities, through having a permanent research capability;
 - iii. Giving partners and researchers opportunities to bring their skills to our problems through the commissioning of research and joint-development of solutions;
 - iv. Ensuring we have fully researched new issues, delivering working prototypes and estimates of impacts before we commence complex systems development;
 - v. Enabling us to 'fail early' at the research stage rather than after significant investment from scarce developer resource; and
 - vi. Ensuring new research and developments are subject to robust challenge from a methodological and technology perspective.
24. The new TOM is underpinned by the development of a new, streamlined production process (see **Annex D**) which will address many of the current issues either through

developing new systems, utilising new skills, or applying better sources to substitute for existing survey collections.

25. As we move toward with these new working practices we will invest in our people's skills. As part of the delivery of the TOM we will identify opportunities for staff rotation, statistical and technology training through a variety of ways including shadowing, mentoring, hackathons, and training courses. We will continue our current targeted recruitment including apprenticeships and direct recruitment of analysts.
26. We have been working with colleagues in Data Capability to develop the Data Production, Management and Analysis career pathway which we anticipate the majority of non-analyst professional staff following as part of the implementation of our TOM. We will be participating in the pilot, which is due to start shortly, to better understand the assessment, skills and training requirements. The outcomes of the pilot will be used to inform our plans to ensure our staff have the necessary skills to perform at the required level within the new career pathway.
27. We have completed the first iteration of the TOM which has identified some short term as well as a longer term changes (**see Annex E**). The key headlines are:
 - i. Use of a more flexible/dynamic resourcing model by the introduction of hub and spoke analytical/economic teams;
 - ii. Increase number of staff in the analytical professions from the current level of 38% in ESG, with the vast majority of the remaining staff being in the ODP Data Analyst career pathway at a minimum of the proficient level;
 - iii. Proposals for the movement of data collection activities to either Data Collection or Data As A Service directorates;
 - iv. Reduction of budget p.a. from £37.4 million to £36.2 million in the next SR;
 - v. A decrease of approximately 150 full time equivalents (FTE) by 2020 from a current establishment list of 750 (including current vacancies); and
 - vi. Predicated on HM Treasury agreeing ongoing funding to support new deliveries enabled by Transformation, and a continuation of investment funding for Economic Statistics to allow us to remain 'ahead of the agenda', as laid out in Bean.

Key Challenges

28. The transformation of Economic Statistics has a number of challenges:
 - i. *Conflicting priorities*: Estimates of Gross National Income (GNI) are used to calculate part of a country's contribution to the European Union. Following the implementation of the European System of Accounts 2010 in 2014 Eurostat have been undertaking verification visits across member states to ensure consistency of implementation. The first visit to the UK took place in May 2017 and 15 action points were identified that will require improvements to be delivered. It is anticipated that further action points will be identified during a second verification visit in winter 2017/18. As the UK is legally required to address these action points by September 2019 they have been given the highest priority. We are in the process of estimating the effort required to address these action points;
 - ii. *Dependencies*: Economic statistics has key dependencies across ONS including new strategic platforms, access to the new data sources and methodological expertise. There is an increasing emphasis on managing dependencies across the portfolio and we are working with the enterprise architecture team to ensure our technology requirements are clearly articulated;
 - iii. *Data sources*: we are on track to use VAT turnover data in the National Accounts in December 2017. We are preparing for the delivery of PAYE data via the Digital Economy Act and are also undertaking research on potential data sources to feed into Enhanced Financial Accounts as they become available. Significant work is taking place to agree roles and responsibilities and put in place the appropriate processes in advance of data being received. However, it is becoming apparent that

these initial processes will take longer than we had estimated, delaying the availability of data to teams; and

- iv. *Capability*: there is an increasing risk relating to the recruitment across analytical professions. Current recruitment campaigns are not producing sufficient applications at the required standards to meet demand. Demand for analysts across government has increased very substantially over the last year, and is expected to continue to grow. We are prioritising vacancies and considering alternative delivery approaches but there will be an impact on the pace of transformation in some areas.

Conclusion

29. We continue to be aspirational in terms of what we can and should attempt to deliver in terms of improving economic statistics. Proactive steps to push ahead despite the emergence of new challenges mean we have a pipeline of significant improvements which we will deliver in the coming years.

Jonathan Athow, Deputy National Statistician for Economic Statistics

Frankie Kay, Director of Economic Statistics Transformation

Nick Vaughan, Director of National Accounts and Economics Statistics

16 October 2017

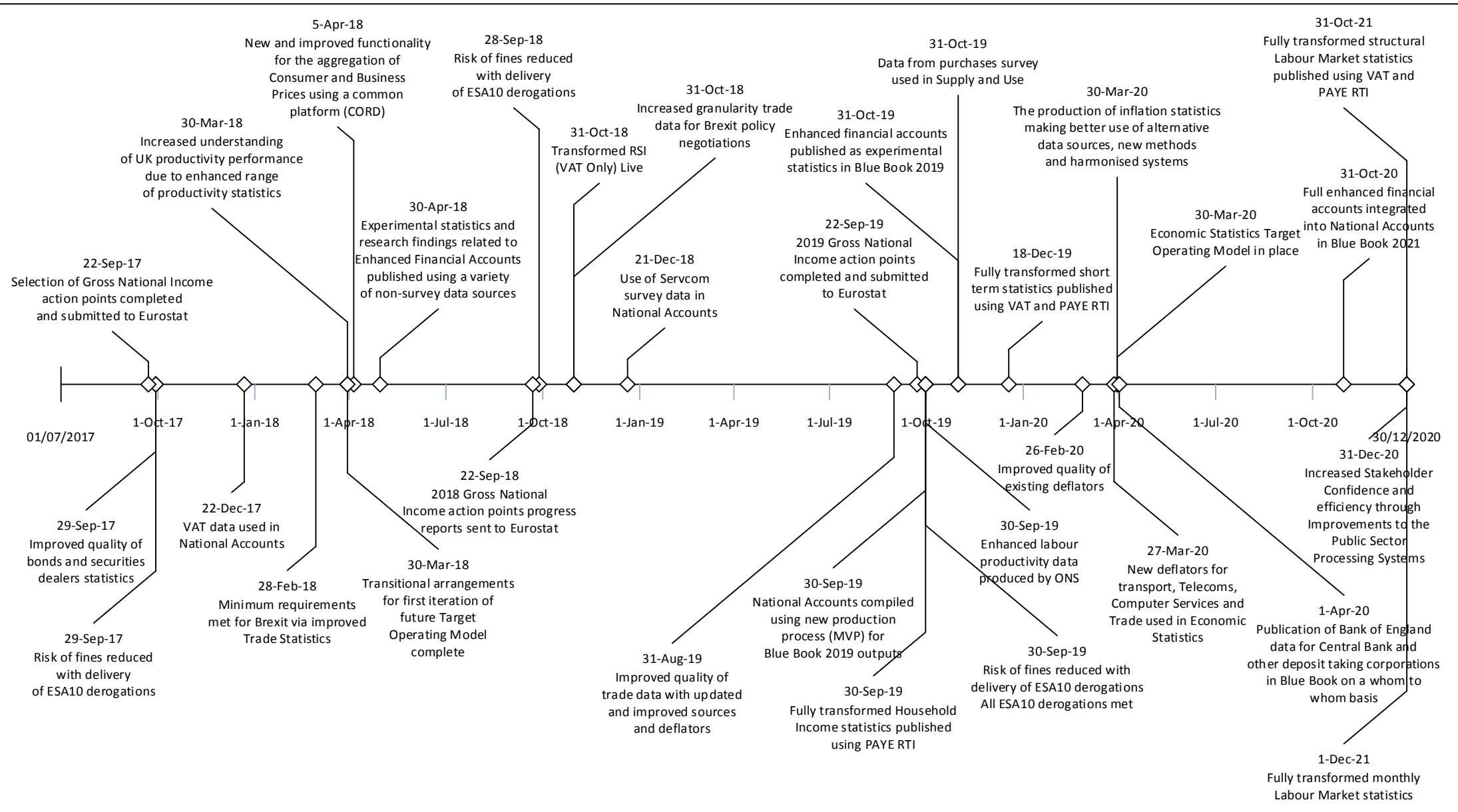
List of Annexes

Annex A	Economic Statistics Transformation Programme - Funding
Annex B	Current Roadmap
Annex C	Systems Roadmap
Annex D	Target Production Process
Annex E	Target Operating Model

Annex A – Economic Statistics Transformation Programme - Funding

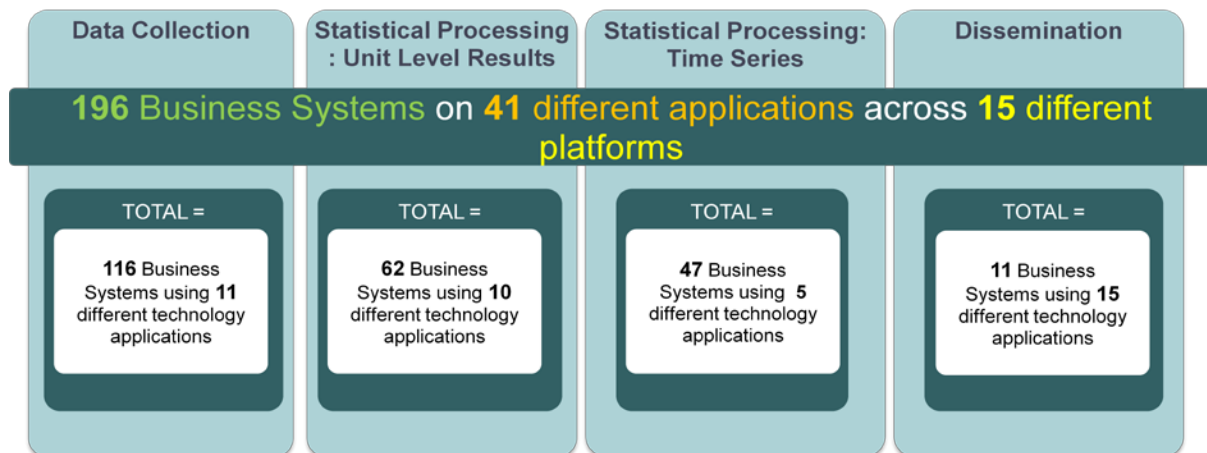
	2016/17	2017/18	2018/19	2019/20	Total
CDEL					
Enhanced Financial Accounts (FoF)	0.0	1.3	3.5	3.0	7.9
Johnson & Scanner/Consumer Prices	0.0	0.0	0.5	0.5	1.1
National Accounts Change Programme (ESA)*	0.5	0.3	0.0	0.0	0.8
Exologic CDEL**	1.6	0.0	0.0	0.0	1.6
Total CDEL In Scope Of Business Case	2.2	1.6	4.0	3.6	11.4
RDEL					
National Accounts Change Programme (ESA)	7.1	5.6	5.3	4.2	22.2
Enhanced Financial Accounts (FoF)***	1.5	2.3	2.4	2.4	8.5
Barker	0.1	0.0	0.0	0.0	0.1
FRIBS	0.5	1.1	1.0	0.9	3.6
Johnson & Scanner/Consumer Prices****	0.3	0.3	1.6	1.6	3.8
Transformation of Economic Statistics	0.0	2.6	2.0	1.8	6.3
Total RDEL In Scope Of Business Case	9.4	12.0	12.3	10.9	44.5
Total RDEL + CDEL	11.5	13.6	16.3	14.5	55.9
* 2017/18 CDEL reduced from £0.5m to £0.3m					
**: Redistribution of funds across programme to support Economics Transformation.					
***: Funding redistributed from 2017/18(-1.7) to 2018/19(+0.9) and 2019/20(+0.8).					
****: Funding redistributed 2016/17 (+.26), 17/18 (+.32), 18/19 (-.29),19/20 (-.29)					
	2016/17	2017/18	2018/19	2019/20	Total
BEAN FUNDING FOLLOWING 2016 BUDGET	£m	£m	£m	£m	£m
Settlement Funding	3.6	8.1			11.7
Expected future funding from HMT			11	10.1	21.1
ONS expected contribution if in year savings realised.As per Bus	1.93	2.64	2.63	5.05	12.25
Total	5.53	10.74	13.63	15.15	45.05
Of which as per business case V1.5:					
NAES (Servcom + Admin Data)	1.15	2.18	2.95	3.43	9.71
OCEA	2.01	3.29	3.91	3.67	12.88
DTM	2.37	5.27	6.77	8.06	22.47
	5.53	10.74	13.63	15.15	45.05
Award for 2018/19 and 2019/20 currently reduced by ONS contribution pro rated 50% DTM, 25% OCEA and 25% NAES					
NAES (Servcom + Admin Data)	1.15	2.18	2.29	2.16	7.79
OCEA	2.01	3.29	3.25	2.41	10.96
DTM	2.37	5.27	5.46	5.53	18.63
	5.53	10.74	11.00	10.10	37.37
			2.63	5.05	7.68

Annex B – Current Roadmap

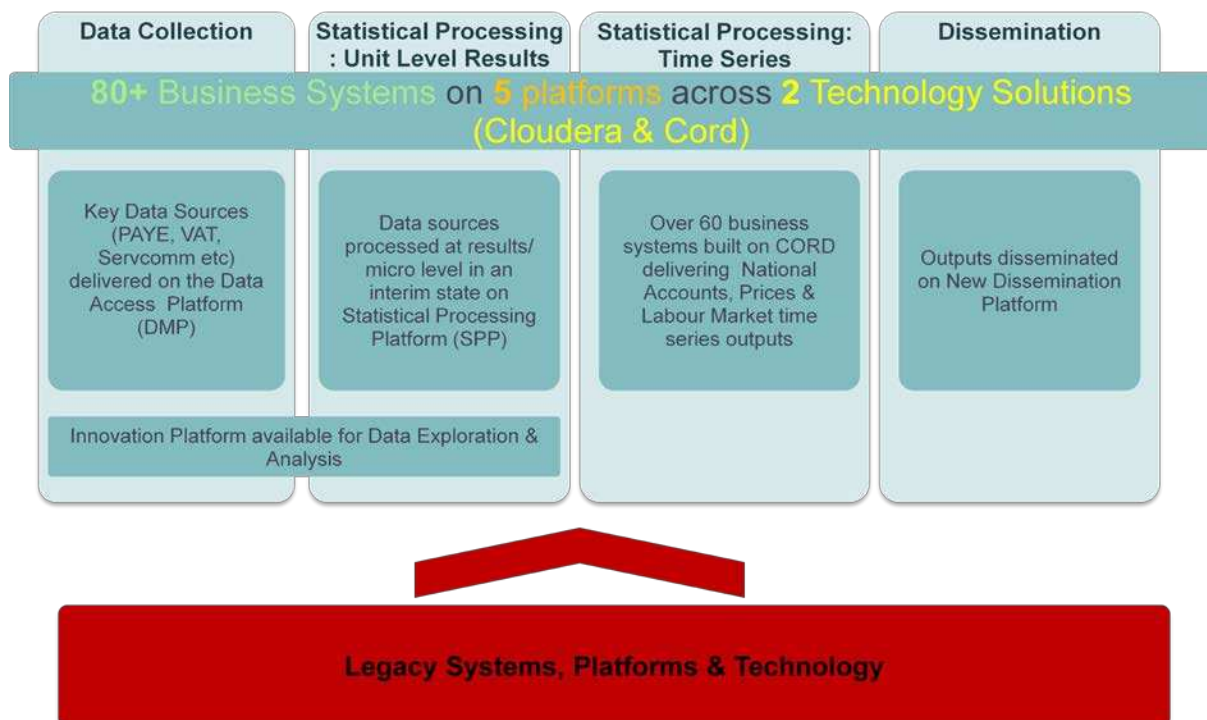


Annex C – Systems Roadmap

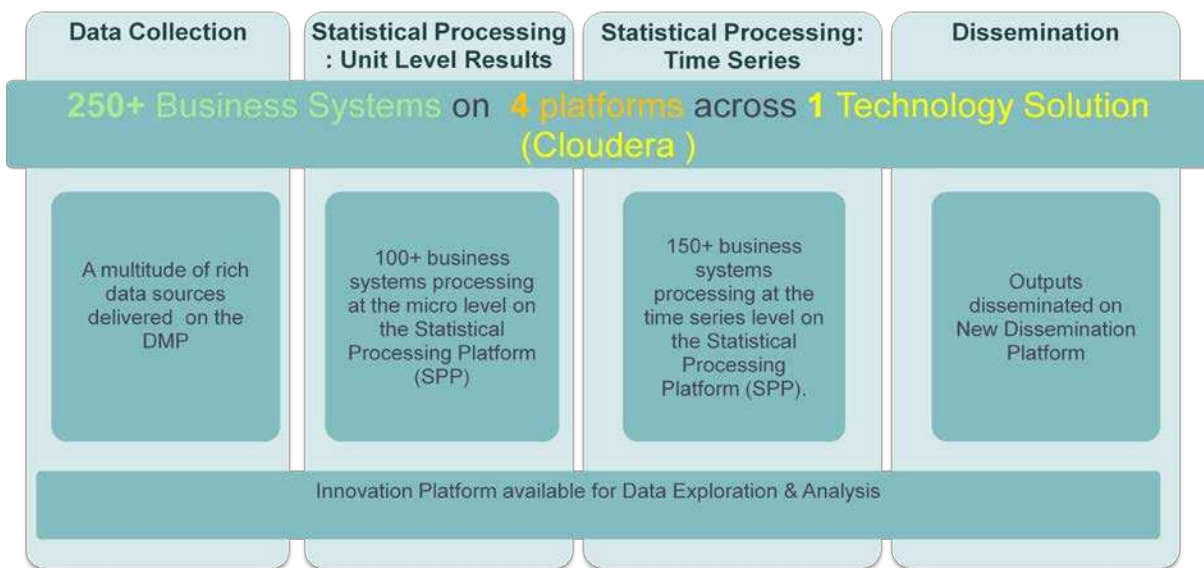
Current Position



Target Position 2020



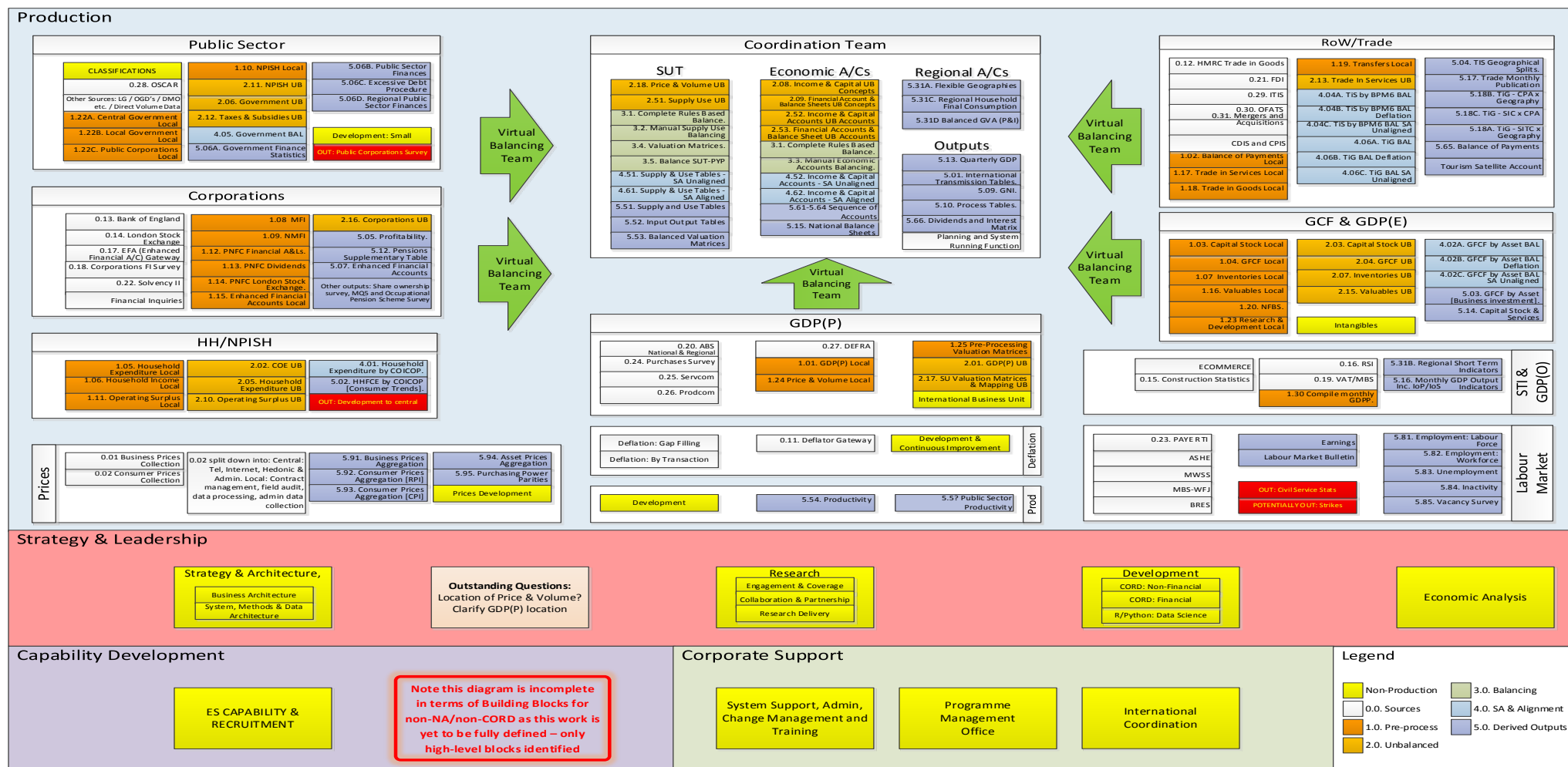
Target Position Post 2020



Annex D – Target Production Process



DRAFT TOM: V12.04



Progress in our efforts to improve understanding of the productivity puzzle**Purpose**

1. This paper sets out some background on the ‘productivity puzzle’; reviews the progress of ONS towards explaining this phenomenon; and provides a summary of our future plans.

Recommendations

2. Members of the Authority Board are invited to:
 - i. note the ongoing nature of the productivity puzzle, set out below;
 - ii. review and provide feedback on ONS’ efforts to explain these developments; and
 - iii. note and provide feedback on our development plans for the future (**Annex A**)

Background

3. Productivity is important because economists argue that it provides the main source for long-run improvements in living standards.
4. Productivity statistics capture the volume of output produced per unit of input. ONS’ headline measure of labour productivity captures the amount of gross value added (GVA) produced per hour worked. This is calculated by dividing GVA (which is broadly a measure of the value of output less the value of the goods and services used in production) by estimates of the number of hours worked¹.
5. ONS also publishes experimental measures of multi-factor productivity (MFP) – which account for changes in the volume of both labour and capital inputs – but on a lower frequency and at a longer lag. MFP is widely interpreted as a measure of underlying technical progress: it rises if we get more output for a given set of inputs.
6. The UK’s recent productivity performance is characterised by three ‘puzzles’².
 - i. There is a long-standing **gap** between UK labour productivity and that of other advanced economies. Whether estimated by the OECD, the US Conference Board, or the ONS’ own National Statistic-badged ‘[International Comparisons of Productivity](#)’ release, this work suggests UK output per worker is around 10% lower than in France, Germany and Italy and around 27% lower than in the US. This gap is largely unchanged over the two-decade long period for which consistent data are available.
 - ii. Secondly, survey data from the UK and other advanced economies suggests that there is considerable **dispersion** of labour productivity across firms, even within tightly-defined industries. Economic theory suggests that these differences should narrow over time, as more productive firms ‘push’ less productive firms out of business. However, UK and international data provides little evidence that the gap between the most and least productive firms is closing: if anything, the gap is growing.
 - iii. Thirdly, there has been a sharp **slowdown** in the growth rate of UK labour productivity since the onset of the 2008 economic downturn. In the decade prior to the economic downturn, output per hour worked grew by around 2.5% per year. However, almost a decade after the economic downturn, the level of UK productivity is barely higher than in 2007. Unlike previous economic downturns, there has been

¹ Note, in particular, productivity is not ‘directly observed’ as the quantity of output per worker. Rather it is the ratio of two aggregates: GVA and labour input.

² These ‘puzzles’ are usually framed in terms of labour productivity, but also apply to the wider, MFP measures as well.

no significant recovery in labour productivity growth since the end of the recession. This is a feature of both the UK experience and that of other advanced economies, leading to significant research efforts to understand and address its causes.

Discussion

7. The work of the Productivity Group at ONS since May 2016 has been focussed in three areas.
 - i. The production of a wider range of statistics, analysis and research which shed light on the three puzzles posed by the UK's recent productivity performance, delivered more quickly and at a finer level of granularity.
 - ii. The development of measures of public service productivity – building on the earlier work of the Centre for the Measurement of Government Activity (CeMGA).
 - iii. The improvement of our systems for the production of our headline labour productivity measures to deliver efficiency savings in the staffing required to produce this growing range of statistics.
8. This section focuses on the first of these activities and the progress that we have made towards understanding the UK's recent performance.
9. The Productivity Group has grown from 5.9 FTE at the end of 2015, to 15.6 FTE today. They are based in the Economic Statistics Strategy, Research and Architecture (ESSRA) division within the Economic Statistics Transformation (EST) directorate.

Understanding the UK's recent slowdown in productivity growth

10. The recent slowdown in UK labour productivity growth – expressed in terms of output per hour worked – is widely dated to the start of the economic downturn in 2008. While the international evidence suggests that this slowdown may have been occurring over a much longer period, the marked nature of this rupture in the UK has fuelled a sense that 'something changed' during the financial crisis which slowed productivity growth. Many candidate explanations have been advanced, but none have proved compelling. There is no consensus yet about the drivers for this slowdown – much less their relative importance³.
11. ONS has been looking hard, with the help of others, at whether there are 'measurement issues' in the compilation of the data which might explain some of this recent slowdown. Charlie Bean's report examined a number of aspects of measurement, and while it raised some important areas for investigation, he could not show any significant problems, particularly in comparison to other developed countries. A number of academics have also looked at this issue, mainly using US data, and have reached similar conclusions: that there are some difficult to measure parts of the economy, but their effect on overall measures of GVA – and therefore productivity – is likely to be modest.
12. The measurement of GVA is governed by international regulation. We have a programme of reviewing and improving our National Accounts to align ourselves with international best practice, including the measurement of GVA. As we work through issues, we will incorporate improvements through our regular Blue Book process. While we are pursuing a number of potential areas, particularly in relation to the measurement of the digital economy, none have yet reached definitive conclusions on their effect and/or size.

³ Among papers which attempt to decompose the slowdown in productivity growth – accounting for the contributions of different 'explanations' usually have a considerable unexplained residual. See <http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q201.pdf>

13. Responsibility for considering measurement issues lies across Economic Statistics, but productivity provides a framework for thinking about the questions that arise. Work on measurement has focused on a number of elements:
- i. work on 'double deflated' measures of output has been carried out by ONS' Supply & Use teams in concert with ONS Fellow Nick Oulton;
 - ii. improving the measurement of communications prices has been taken forward by the deflators improvement programme;
 - iii. the movement of economic activity outside the production boundary has been taken forward by ONS Fellow Diane Coyle and others.
14. These areas may all contribute to resolving the 'puzzle', but it is too early to draw any firm conclusions that could feed through to our data.
15. The main measurement issue that is being addressed within the Productivity Group concerns intangible assets: in particular, the Group are focussed on those assets which are not capitalised within the National Accounts framework at present⁴. This work is at a relatively early stage – focussed on updating estimates of intangible investment previously published by the Intellectual Property Office, examining the previous 'Investment in Intangible Assets' survey and laying the groundwork for a possible further survey. This shows some promise, but has not yet provided results and has the potential to help with explaining only part of the productivity puzzle.
16. Many of the other explanations proposed for the productivity slowdown were covered in a previous board paper. These include
- i. Labour 'hoarding' – companies being unwilling to part with labour which they have trained up, holding onto workers in anticipation of a recovery in demand, depressing their labour productivity. This argument seems increasingly unlikely as we approach the tenth anniversary of the economic downturn.
 - ii. Credit constraints – following the financial crisis, banks have been constrained in the credit they can extend for investment as they repair their balance sheets, which limits the amount of investment undertaken by firms. This in turn reduces the productivity of labour.
 - iii. Financial market inefficiencies – the financial crisis led to a sharp reduction in risk appetite among financial institutions, and was combined with political pressure to limit the rise in insolvencies – producing 'zombie firms'. This combination resulted in weaker reallocation of resources towards more productive firms.
17. As these channels are likely to work themselves out to different extents in different parts of the economy, ONS has been extending the range of productivity metrics that we produce so as to identify where they are most pronounced. ONS now produces:
- i. Quarterly labour productivity metrics for a more comprehensive breakdown of 80 industries (up from 24 in 2015)
 - ii. A new 'Flash' estimate of labour productivity around 45 days after the end of the reference quarter – as compared with 90 days previously.
 - iii. Annual labour productivity metrics for the NUTS 1, 2, and 3 regions of the UK
 - iv. New annual region (12) by industry (16) labour productivity metrics

⁴ Intangible assets, also known as knowledge assets or intellectual capital, are a class of asset that are typically created as a result of innovative activity, such as research and development. Intangible assets which are capitalised in the National Accounts include software, research and development, artistic originals and mineral exploration. The academic literature often employs a wider definition, including design, managerial and organisational capital, human capital and skills. In this work we are following the lead of Goodridge, P., J. Haskel and G. Wallis (2016), 'UK intangible investment and growth: new measures of UK investment in knowledge assets and intellectual property rights', Imperial College London Business School, Discussion Paper 2016/08.

- v. New quarterly regional (12) labour input metrics which can be used to produce quarterly regional labour productivity when output measures become available
 - vi. Annual estimates of the 'effective' supply of labour in different industries – accounting for the composition of labour working in each area of the economy – have been developed to deliver greater industrial granularity, which will inform our MFP analysis.
18. These improvements to the statistics have helped policy makers to better understand the recent slowdown. In particular, they have suggested that no single region or industry accounts for the productivity puzzle, but rather it reflects stagnation across a large number of regions and industries. However, they also show that there are marked inter-regional differences in productivity and that while productivity growth has been weak across the board, several industries account for a relatively large share of the slowdown.
19. These more detailed data have been welcomed by a large number of outside stakeholders. In particular, the Department for Business, Energy and Industrial Strategy (BEIS), the Bank of England and other research institutions have responded positively to their publication. The Scottish Government – representatives of which have been in regular contact with the Productivity Group – have also used these new inputs to generate new statistics to inform policy.

The gap between high- and low-productivity firms

20. The second 'puzzle' concerns the size, longevity and significance of productivity differences between firms. This is an area which has grown rapidly with the increasing availability of detailed, micro-level data on firm performance. Other Government Departments (OGDs – including BEIS, HM Treasury (HMT) and Bank of England), international institutions (including the OECD and European Central Bank), other National Statistical Institutes (e.g. US Census Bureau) and a large field of academic researchers have made use of these more detailed data to examine the evolution of firm-level productivity at a higher level of granularity than usually available through official statistics.
21. While this is a research agenda in its own right, this area of work has clear links to the other two 'puzzles': explanations for the gap between high and low productivity firms may point to reasons for the UK's recent slowdown, or may help to explain the UK's structural productivity gap compared to other countries.
22. The Productivity Group – in partnership with the sub-regional economic analysis team and the Economic Statistics Centre of Excellence (ESCoE) – has produced or are in the process of producing several pieces of analysis designed to address topics in this area which are of keen interest to policy makers. These include
- i. [Who are the laggards?](#): Analysis of who low productivity firms are – capturing their industry, size, age and location and how they changed in the periods before and after the downturn. This work identifies several industries which are increasingly prevalent in the low-productivity tail of the distribution. A sister article examines the top of the labour productivity distribution. Together, these provide a steer on the key areas for analysis
 - ii. [Management practices](#): New collection of data on management practices, following the previous work of and in collaboration with Nick Bloom (Stanford) and John van Reenen (MIT). This collection explains differences in productivity across firms as a function of their management practices.
 - iii. Foreign Direct Investment (FDI): This work uses a new and more detailed dataset to examine how the productivity of firms varies depending on their FDI status.
 - iv. Trade: Using a new feed of administrative data from HM Revenue & Customs (HMRC), this work examines how productivity varies with company trader status.
 - v. 'MultiProd': The Productivity Group has also been providing input for a path-finding OECD project examining variation in the distribution of productivity at the firm level.

23. Finally, the Productivity Group has also commissioned a new version of the Annual Respondents Database (ARD) – which has historically been the foremost dataset for productivity analysis in the UK. This work will enable external researchers to work with a longer panel of UK firm level data to complete their own analyses.
24. These outputs have generated considerable interest within government and across the research community. In particular, collections of management practices data have been welcomed by BEIS and analysis of the anatomy of the UK's weak productivity performance has been positively received by policy-facing officials at HMT and BEIS. Forthcoming work on the links between trade, FDI and productivity has generated significant interest from the Bank of England, and several OGDs have welcomed the UK's greater involvement in the research work of the OECD.

The UK's productivity short-fall to the G7 economies

25. The third 'puzzle' – the difference between UK productivity and that of other countries – is addressed through several ongoing pieces of work. Some of these overlap with areas reported above, but they include:
- i. Measurement: ONS has been engaging with the OECD regarding the measures which they curate for the purposes of productivity analysis – and which ONS use in our 'International Comparisons of Productivity' release. This work is focused on measures of average hours worked, and will establish a joint ONS-OECD research programme to examine the large differences in average hours worked in different G7 economies. ONS is also working to deliver international comparisons of labour productivity at the industry level, so as to provide a more accurate 'diagnosis' of the UK's productivity gap.
 - ii. 'MultiProd': The Productivity Group and Sub-Regional Economic Analysis teams have been working to ensure that the UK contributes to the OECD's path-finding 'distributed micro-data analysis project'. This work will compare firm-level distributions of labour productivity across countries.
 - iii. Management practices: As evidence on management practices has emerged from a number of countries in recent years, ONS has been working to deliver cross-country analysis which may shed light on international productivity differences.
 - iv. Infrastructure: The relative quality of the UK's infrastructure is often cited as a possible cause of the UK's productivity gap. As a result, ONS has been developing on work started by Grice (2016) which examines investment in infrastructure assets, the value of the stock of infrastructure assets and the services which are derived from them.
26. The results of this work are a good deal less well-advanced, reflecting both the difficulty of robust international comparisons work and the relative priority placed on explaining the UK's domestic position. However, these work-streams remain important and are considerable prospects for the future.

Wider engagement and priority setting

27. In view of the analytical nature of the Productivity Group's outputs, we have sought connections with and exposure to other researchers in this area. In particular:
- i. ONS is a full contributor to the quarterly Productivity Research Network – a body composed of productivity researchers from across government (HMT, BEIS, Bank of England and the Office for Budgetary Responsibility (OBR)), and think-tanks (including the Institute for Fiscal Studies (IFS) and the National Institute for Economic and Social Research (NIESR)).
 - ii. The Productivity Group has established links with researchers at other institutions – including at the US Census Bureau, the Alan Turing Institute, and the Centre for Economic Performance – with the aim of increasing the quality of our academic output. The Group is also seeking to deliver on the potential of the link between ONS,

the ESCoE, the Economic Experts Working Group and the ONS Fellows, presenting to and establishing projects with several of these bodies. The Group has also sought an increasing external profile at academic events.

- iii. The Productivity Group has also been engaging with the Economic and Social Research Council (ESRC). Productivity is one of their key research priorities, and ONS recently played an active part in the selection process for a new 'Productivity Network Plus' – a £1.8m/year research initiative. ONS expect to work closely with the eventual winners.
 - iv. Finally, we have also sought to understand how the detail that ONS publish on productivity compares to the 'best in class' NSIs. This involved the commissioning of a report on International practice in the production of productivity statistics, covering 21 of the world's leading NSIs.
28. The Group has used input from all of these sources – as well as a developed understanding of its own systems – to identify, prioritise and then deliver key improvements to ONS' suite of productivity statistics.

Future plans

29. The Productivity Group is midway through its development plans, published in the July 2016 Productivity Bulletin. This work primarily captures the recommendations which were made by the Bean Review. Planned developments include:
- i. The shift to quarterly MFP for more granular industries: this work will considerably improve the timeliness and detail of ONS' most holistic measure of productivity. It was a recommendation of the Bean Review, and is planned for early 2018. This work will enable further analysis of the recent productivity slowdown and provide policy-makers with more timely, key statistics on the UK's performance.
 - ii. Further work on infrastructure assets, and on the association between trade and labour productivity. This work will provide insights into the UK's productivity gap and the recent slowdown in productivity growth respectively.
 - iii. Updated measures of intangible assets. While strictly a matter of capital measurement, there is growing academic interest in the importance of intangible assets. The Group is therefore at an advanced stage of producing updated estimates of intangible investment in the UK economy, with the aim of subsequently incorporating these data into our MFP framework.
30. As a large volume of development work has now been completed, the Group are now starting to consider how their resources are best deployed in the next development phase. The feedback received from OGDs, from academic bodies and from our commissioned review of international best practice will inform the next round of development plans for productivity. We expect to publish a statement of these plans in January 2018, with the explicit aim of making the UK a world-leader in the measurement and analysis of productivity.
31. While the contents of that statement are only now coming together, there are several areas which are likely to be included:
- i. Increasing granularity of labour productivity metrics: in particular, the development of more detailed regional and industrial labour productivity metrics delivered through greater use of administrative data.
 - ii. Further analytical outputs to help to explain the UK's recent performance, using larger, more detailed administrative records.
 - iii. Further improvements to the MFP suite: including more granular value-added based measures of MFP, and the development of an output-based model of MFP which uses the KLEMS framework.
32. We would welcome your feedback on these priorities.

Conclusion

33. The UK's recent productivity performance presents three 'puzzles'. Each of these is being addressed by different work-stream within the productivity group. While there are few definitive explanations at present, the combined body of work published by ONS has helped to identify several key characteristics of this recent performance and has been welcomed by informed policy-makers across government and beyond. As the arc of development initiated by the Bean Review is due to come to a close in 2018, we would welcome your views on our work to date and on our proposals for the future.

Philip Wales, Economic Statistics Strategy, Research and Architecture
17 October 2017

List of Annexes

Annex A Statement of future plans for productivity

Annex A Future plans for the Productivity Group

Purpose

1. This Annex provides a brief summary of the future development plans for the Productivity Group. These are in draft form and are not yet formally agreed or adopted. They are provided for your consideration and feedback.
2. Members of the Authority Board are invited to consider the direction of travel and to highlight areas in which they would like to see more progress.

Background

3. The future plans of the Productivity Group are directed towards producing statistics, analysis and research to explain the three ‘puzzles’ which characterise the UK’s recent productivity performance (see [SA(17)0x]). These are:
 - i. The sharp **slowdown** in the growth rate of UK labour productivity since the onset of the 2008 economic downturn
 - ii. The considerable **dispersion** of labour productivity across firms, even within tightly-defined industries
 - iii. The long-standing **gap** between UK labour productivity and that of other advanced economies
4. These draft plans are based on recommendations, feedback and suggestions from a range of sources. Notably, they include:
 - i. The remaining recommendations for the measurement of productivity from the Bean Review
 - ii. Suggestions from an ONS-commissioned ‘Review of international best practice in the production of productivity statistics’, carried out by London Economics.
 - iii. Improvements which will be enabled by changes to ONS’ data sources envelope over the coming years.
5. The aim of these plans is to make ONS a global leader in the measurement of productivity. While they are in draft form at present, ONS intends to make a public statement regarding our ambitions in this area in either the January or April 2018 Productivity Bulletins.

Discussion

6. This section sets out our development ambitions under each of the three ‘puzzles’ above. As in previous periods, these development plans are likely to reflect only a portion of the Productivity Group’s time. Resources will also need to be devoted to further system improvements and to the development of public service productivity estimates. The plans discussed here are based on the assumption that the wider transformation programme delivers improvements into the National Accounts and labour market measures, which will feed through to productivity measurement.

Understanding the UK’s recent slowdown in productivity growth

7. Following improvements to the industrial and regional granularity of our headline labour productivity indicators (see accompanying paper), development work to cast further light on the UK’s recent productivity slowdown is heavily focused on ONS’ Growth Accounting outputs.

8. These comprise three releases, each of which will be subject to development during 2018:
 - i. The Quality Adjusted Labour Input (QALI) release presents changes in the effective supply of labour, accounting for both changes in the quantity of hours worked and the quality or composition of labour supplied. This output has historically been produced annually – at a lag of around nine months – for a breakdown of ten industries. From early 2018, it will be published quarterly, for a more detailed breakdown of 19 industries. Feasibility work is currently underway to explore the use of the Annual Survey of Hours and Earnings (ASHE) to deliver a 64 industry breakdown.
 - ii. The Volume Index of Capital Services (VICS) release presents changes in the contribution of capital to production. Historically, it has drawn on a bespoke model of capital stocks which differs from that in the National Accounts, was published on an annual basis with a lag of varying length and covered a breakdown of 16 industries. From early 2018, the National Accounts and VICS capital stock models will be aligned, publication will shift to a quarterly pattern and a more detailed breakdown of industries will be used.
 - iii. The Multi-factor productivity (MFP) release decomposes growth in GDP into that due to changes in factor inputs (from QALI and VICS) and that due to changes in the efficiency with which they are combined. This more holistic measure of productivity has historically been produced on an annual basis with a notable lag. It is ONS' intent that – subject to the findings of ongoing development work – we will move to a quarterly publication of MFP in early 2018.
9. ONS also plan to add to our range of productivity statistics by developing estimates of capital productivity. These are a fairly straightforward addition to our set of productivity data, but will bring ONS practice into line with the world leaders in the measurement of productivity. We plan to produce these alongside our quarterly multi-factor productivity estimates from early 2018.
10. Over a longer time-frame, the Productivity Group have ambitions to develop these measures further. Three specific improvements are planned:
 - i. As ONS makes increasing use of administrative data to improve the range of regional data it makes available, the Productivity Group will seek to incorporate this information to deliver more timely regional labour productivity metrics. The Group have been liaising with both the Regional Accounts and the Regional Short Term Output Indicators teams in this effort. In particular, when new measures of regional GVA are published towards the end of 2018, we expect to introduce a parallel regional labour productivity series shortly afterwards.
 - ii. We are working to develop better estimates of infrastructure capital. We intend to explore whether these can be used within the wider growth accounting framework.
 - iii. The Productivity Group also have ambitions to produce a still wider measure of productivity based on the 'KLEMS' framework. This framework – which is followed by the leading NSIs in this area – decomposes growth in output into that due to changes in a wide range of factor inputs, including capital, labour, energy, materials and services. We are exploring the feasibility of producing a measure of this sort using new and existing source data, but no timeline has yet been set for its development.

The gap between high- and low-productivity firms

11. Complementing recent developments to our headline labour productivity statistics, ONS have pursued a programme of firm-level analysis to better understand the drivers of

productivity at the micro-level. This work has helped to address specific policy-maker questions about the different dimensions of the productivity puzzle.

12. It is ONS' intent that this work should continue. In particular, we plan to continue to draw together existing information about firm-level performance in an effort to answer questions which the available UK data cannot currently address. This includes, but is not limited to:
 - i. How does multi-factor productivity vary across firms?
 - ii. How are trading status (exporter/importer) and intensity (export/import shares of turnover/purchases) related to productivity?
 - iii. How does innovation activity – including patenting and trademarking, as well as investment in research and development – link to productivity?
13. Alongside developing these existing data-sources, we intend will continue to seek new sources of information. Following the Management Practices Survey of the manufacturing industries in 2016, the follow-up Management and Expectations Survey is currently in the field, generating a larger volume of data on which to base analysis. This survey should strengthen our understanding of how management practices and productivity are related.
14. We are also planning to work with data from the 'Investment in Intangible Assets' survey to try and understand the differences between macro- and micro-based estimates of intangibles. This is required groundwork for a possible further survey of intangible investment.
15. To answer to these questions within a consistent framework, the Productivity Group intends to continue to link together sources of business data to conduct applied analysis. This will be supported by the development of the Annual Respondents Database to include measures of firm-level capital stocks: providing a stronger underlying dataset for productivity analysis.
16. The Productivity Group also intends to mobilise sources of administrative data for the purpose of applied analysis as it becomes available. In particular, we intend to start exploring the feasibility of constructing a Longitudinal Business Database shortly. This would utilise information supplied by firms to HMRC as part of their Value Added Tax (VAT) returns to construct a panel of businesses for longitudinal analysis. This has the potential to help us to understand the dynamics of productivity growth in a much more granular manner than possible at present.
17. Finally, over the longer term, the Productivity Group are eager to use the access to data granted by the Digital Economy Act to address long-standing weaknesses in the UK's data estate. In particular, we are eager to use our position in the statistical system to develop a linked employer-employee dataset using information from HMRC's PAYE records. While we expect this to be a considerable challenge – and no timeline has yet been set for this development – we believe that these data would open a number of avenues for UK analysis which have been fruitfully exploited in other economies.

The UK's productivity short-fall to the G7 economies

18. Of the three puzzles posed by the UK's recent economic performance, its shortfall relative to other leading economies is perhaps the most challenging. This reflects the innate difficulty of the problem, but is overlaid by the challenge of comparability.
19. The Productivity Group will consequently be following three lines of enquiry in this area.
 - i. Firstly, we intend to examine questions of the comparability of measurement across countries in concert with the OECD. In the first instance, this work will

focus on measures of average hours worked. We intend to establish a joint ONS-OECD research programme to examine the large differences in average hours worked in different G7 economies, and the extent to which these are driven by fundamentals rather than measurement.

- ii. ONS will continue to contribute to the OECD's 'MultiProd' project. The first UK results of this 'distributed micro-data analysis' programme were supplied recently. We plan to engage regularly to follow up any issues which arise from the analysis of these results.
- iii. Finally, we plan to continue to develop statistics on the quality of the UK's infrastructure assets. As the relative quality of the UK's infrastructure has often cited as a possible cause of the UK's productivity gap, we plan to develop path-finding measures – in concert with relevant international organisations – to build the foundations for future cross-country comparisons.

Conclusion

20. The Productivity Group has ambitious plans for our future development. We would welcome your feedback on these priorities.

Philip Wales, Economic Statistics Strategy, Research and Architecture, 16 October 2017

ONS Planning Approach and Appetite for Risk

Purpose

1. This paper outlines the ONS planning cycle which aims to take our thinking from the 'what?' to the 'how?' by the end of the year. We will have in place, by March 2018, updated medium term plans at the enterprise level (consisting of a revised Corporate Business Plan, Directorate Medium Term Plans, and a re-baselined Transformation Portfolio Plan). This suite of plans will be a clear and consistent representation of agreed timelines, milestones, budget, workforce and, importantly, risks to delivery.

Recommendations

2. Members of the Authority Board are invited to:
 - i. note the ONS planning cycle, outlined below and at **Annex A**; and
 - ii. discuss the Strategic Risks and associated Risk Appetite Statements and propose any changes.

Background

3. The ONS Planning Strategy sets our aspiration and approach to enterprise-level planning. The approach should be seen within the strategic context of:
 - i. how we effectively plan and deliver in an increasingly volatile, uncertain, complex and ambiguous environment;
 - ii. supporting the successful delivery of our strategy, 'Better Statistics, Better Decisions';
 - iii. moving towards strengthening and developing our organisational resilience; and
 - iv. developing a more output and value based approach to our planning (service, financial and people)
4. The strategy is based around four key areas, which aim to deliver improvements as part of our 'one office' approach to planning. These are: improving the quality of planning; increasing the integration of service, people and financial planning; improving the alignment of plans across services and enablers, and; developing and strengthening our organisational resilience and governance.
5. **Annex A** sets out, at a high level, the key dates and integrated planning cycle for the development of plans for 2018/19 onwards. Within the planning cycle the Authority Board has a key role. Each year the Board considers emerging plans at a strategic level in the autumn in order to give the 'top-down' view to drive Directorate level planning. A draft medium term plan will then be submitted to the Board in January, and again in March for approval. Throughout the year the Board will monitor progress and will review outcomes ahead of the publication of the Annual Report and Accounts in the summer.
6. The planning cycle consists of four key stages:
 - i. Review (otherwise known as our strategic look back/look forward) – which will set the direction and foundation for the development of our plans;
 - ii. Develop – the approach and key stages in the development of our plans;
 - iii. Approval – the gateways for agreeing and signing off our plans; and
 - iv. Implementing/monitoring/refreshing – the ways we will monitor progress against our plans and move towards refreshing them on an ongoing basis.

7. The key dates from this cycle are below for ease of reference:

Planning Cycle Stage	Milestone	Date
Review	NSEG Planning Discussion – full understanding of planning cycle.	19 Oct 17
	UKSA Board Planning and Risk Briefing and Economic Statistics Plan Overview - understanding of planning cycle, review of risk appetite, consider strategic objectives for input into corporate business plan refresh.	24 Oct 17
	National Statistics Leadership Team (NSLT) Planning and Finance Away Day – consider strategic objectives and resource challenges.	24 Nov 17
	UKSA Board consider 'Population and Public Policy' and 'Data Capability' overviews – consider strategic objectives for input into corporate business plan refresh.	30 Nov 17
Development	Draft Business Plan and Resource Plan to NSEG	23 Jan 18
	Draft UKSA Business Plan & Resource Plan to UKSA Board	25 Jan 18
	UKSA Business Plan update to UKSA Board	1 March 18
Approval	UKSA Business Plan and Budget approved by UKSA Board	22 March 18
Monitoring implementation	Integrated Performance and Finance Report for NSEG and Board	Monthly

Discussion

8. *Better Statistics, Better Decisions* sets out the strategic direction for how we will deliver high-quality statistics, analysis and advice to help Britain make better decisions. This is being delivered through a focus on *five perspectives*. These set the strategic context, and provide the direction for planning within ONS. Our *Target Operating Model (TOM)* builds on this and shows how the ONS will look and feel in 2020, following the successful delivery of our strategy. It acts as a framework, against which we can assess the alignment of our activities and whether they meet our stakeholders' needs.
9. This work is now being taken forward within ONS to establish, at a more detailed level, what our direction will be and how we will get there. Our planning cycle will focus on several important areas including (but not limited to) the following:
 - Delivering our Target Operating Model: The delivery of our TOM will act as a key strategic driver for the development of our Medium Term Business Plans over the coming years. ONS Medium Term Business Plan guidance given to ONS Directorates highlights the importance of reflecting local level TOM design;
 - Refreshing and Aligning Strategic Objectives: The introduction of a strategic look back/forward into our planning cycle provides the opportunity to clarify strategic direction, to provide the top-down view for alignment of business plans and to clarify the key priorities for the organisation. The main forums in which this strategic look back/forward will be considered are the DG planning challenge sessions in early October (where the DGs come together to mutually understand emerging and current plans), Authority Board discussions in October and November, the October NSEG discussion, and the NSLT meeting in November. Our current corporate business plan includes a number of strategic objectives against which our specific deliverables align. We know there has been a lot of progress and changes to the external and internal environment, and therefore expect to see a new, more tightly defined and customer focused set of strategic objectives to be agreed over the coming months; and

- Integration of Service, Financial and Workforce Plans: We are able, for current plans, to present our finances and workforce by function and also present the key deliverables (including progress) which each function is responsible for under the corporate business plan. In addition we are able to present and track resources and delivery for each of the SR15 commitments. Medium Term Business Planning guidance reinforces the need to align service (delivery) plans with financial and workforce plans. The business has been asked to align the outcomes set out in MTBPs with workforce plans and budgets. Once complete we will be able to generate a series of functional 'decision making packages', areas of work which can be easily understood in terms of delivery and resource plans.
10. An area of fundamental importance to our plans and the delivery of our objectives is the level of threat and opportunity we face – and how we choose to manage these risks. Our risk management approach has matured over recent years. We now manage fewer risks, take action systematically, link our risk management and quality management systems and, through the establishment of risk appetite, align risk based decision making to the objectives of the organisation.
 11. A useful approach to define risk appetite as a series of behaviours was taken by the Authority Board and Risk Management Team in late 2015, based on a series of on-to-one sessions with Board members and a consolidated discussion. Recently the Audit and Risk Assurance Committee identified, in line with best practice, the need to review the Authority's risk appetite due to the rapidly changing environment, as well as recruitment of new members of the Board with potentially different views.
 12. We will use the ONS planning cycle to align our risks and risk based decision making to appetite, so we can assure ourselves we are taking risk in the right areas. ONS Medium Term Business Planning Guidance includes the expectation that risks to delivery be formally identified. It highlights that key deliverables should be accompanied by *"the articulation of opportunities or threats associated with the ability to completely discharge your deliverables"*.

Ben Whitestone, Corporate Planning and Resilience, October 2017

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Annex A Planning Cycle and Key Milestones

Annex A: Planning Cycle and Key Milestones

Following the establishment of the Corporate Planning and Resilience Division, enterprise-level planning was brought together for the first time within ONS. This provided an opportunity to look at how we could develop a 'one office' approach, which enables us to have a more holistic view of planning. This is an important step in raising our maturity and will allow us to make more informed decisions, over resources and priorities, to support delivery of 'Better Statistics, Better Decisions'.

Following completion of the 2017/18 planning round an informal review and lessons learned process was undertaken. The purpose of this was to identify areas of best practice and where we can strengthen and improve planning further over the coming years. The findings of this process, and synergies and developments since the establishment of Corporate Planning and Resilience Division, have informed and shaped the development of a new Planning Strategy and underpinning Guidance.

Stage	Milestone	Date	Who
Review	Publication of ONS Planning Strategy	Oct 17	CPR
	Issuing of Integrated MTBP Commission Letter and Guidance	20 Oct 17	CPR
	DG Planning Sessions	Oct 17	DG
	NSEG Planning Discussion	19 Oct 17	NSEG
	UKSA Board Planning and Risk Briefing and ES Plan Overview	24 Oct 17	Board
	NSLT Planning and Finance Away Day	24 Nov 17	NSLT
	UKSA Board DC & PPP Plan Overview	30 Nov 17	Board
	DG Planning Assumptions overview published	Nov/Dec 17	CPR
	Directorate Strategic Planning	Oct – Dec 17	Directorate
Development	Issue of Financial Planning Templates	End Oct 17	Finance
	MTBP Directorate(s) Planning Checkpoint 1	Nov 17	CPR/Directorate
	Financial Resource Plans submitted to Finance for QA (excluding DST)	End Nov 17	Directorate
	Portfolio Plan Baseline approved by Portfolio Committee	Nov 17	CPR
	MTBP Directorate(s) Planning Checkpoint 2	Dec 17	CPR/Directorate
	ONS-wide planning session 1	Dec 17	ONS
	ONS-wide planning session 2	Feb 18	ONS
	Draft MTBP submitted to CPR Division	Jan 18	Directorate
	Draft Business Plan & Resource Plans to NSEG	23 Jan 18	Finance
	Draft UKSA Business Plan & Resource to UKSA Board	25 Jan 18	CPR
	Feedback provided by CPR to Directorates on draft MTBP	Jan 18	CPR
	MTBP Directorate(s) Planning Checkpoint 3	Feb 18	CPR/Directorate
	UKSA Business Plan update to UKSA Board	01 March 18	CPR
Approval	Baselined portfolio plan (v2.0) approved by Portfolio Committee	Nov 17	CPR/PMD
	Directorate MTBP approved by (relevant) Director	Feb 18	Directorate
	UKSA Business Plan and Budget approved by UKSA Board	22 March 18	CPR
	Directorate(s) MTBP signed off by (relevant) Director General	March 18	Directorate
	Approved MTBP submitted to CPR	31 March 18	Directorate
	Baselined Portfolio Plan (v3.0) approved by Portfolio Committee	March 18	CPR/PMD
Implementation	Directorate quarterly reviews (including agreeing any changes to MTBP and Workforce Plans)	Quarterly	CPR/Directorate
	Portfolio Plan baseline	Quarterly	CPR/PMD
	Integrated Performance and Finance Report for NSEG and Board	Monthly	CPR



