

# UK STATISTICS AUTHORITY

**Minutes**  
**Thursday 30 July 2019**  
**Boardroom, London**

## **Present**

### **UK Statistics Authority**

Sir David Norgrove (Chair)  
Ms Sian Jones (Deputy Chair)  
Mr Jonathan Athow (Interim National Statistician)  
Ms Helen Boaden  
Professor Sir Ian Diamond  
Professor David Hand  
Professor Jonathan Haskel  
Mr Ed Humpherson  
Professor Sir Adrian Smith  
Professor Anne Trefethen

## **Also in attendance**

Mr Iain Bell  
Mr Nick Bateson  
Mr Owen Brace  
Mr Robert Bumpstead (Secretariat)  
Ms Vanessa Holden (Secretariat)  
Ms Frankie Kay  
Mr Will Laffan (for item 12)  
Mr Tom Smith (for item 10)  
Mr Rhys Thomas (for item 13)

## **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 two previous meetings, held on 18 June and 1 July 2018, were agreed.

## **4. Report from the Authority Chair**

4.1 The Chair reported on his discussion with non-executive members, ahead of the full Board. Non-executive members of the Board had discussed the appointment of the UK's next National Statistician, the Retail Prices Index (RPI) and the Public Administration and Constitutional Affairs Committee (PACAC) report on statistics.

4.2 The Chair also reported on his activity since the last meeting, noting:

- i. the data landscape workshop hosted by the Authority on 16 July, which had focussed on issues of data ownership and data ethics;
- ii. that the Economic Experts Advisory Group had met on 18 July, at which time attendees considered recent and future developments in economic statistics, including Blue Book 2019;
- iii. Sir David and Mr Humpherson had met the (then) Secretary of State for Education, the Rt Hon Damian Hinds MP, and Permanent Secretary at the Department for Education on 22 July to discuss education statistics, including the availability of data on schools funding.

4.3 Members also discussed the development of the National Data Strategy.

## **5. Report from Regulation Committee**

5.1 Prof Trefethen reported on the Regulation Committee meeting, held on 18 July 2019. Members had considered issues including:

- i. the committee's self-review of effectiveness;
- ii. the recent PACAC report on statistics;
- iii. the Authority's annual review of casework, which would be published in September; and
- iv. the Office for Statistics Regulation (OSR) plans for the assessment of the 2021 Census.

5.2 Committee members had also received a comprehensive update on the OSR's ongoing monitoring of the quality and value of the UK's migration statistics. They discussed apparent discrepancies between different data sources, ongoing research by the Office for National Statistics (ONS) into the reliability of specific data sources, and potential next steps.

5.3 The Chair invited Mr Humpherson and Mr Bell to update the Board on developments since Regulation Committee had met. Mr Humpherson advised the Board that the OSR would publish a short statement on 31 July, welcoming the research being undertaken by the ONS, while clearly setting out the OSR's expectation that ONS should continue this work with urgency to resolve the considerable uncertainties around migration estimates.

5.4 Mr Bell advised Board members that he expected to receive an analysis shortly, which would support the ONS in further developing its understanding of the differences between data sources. He committed to keeping the Board and the OSR apprised of his findings.

5.5 Finally, Prof Trefethen noted that Ms Boaden had agreed to join Regulation Committee. Board members welcomed her appointment to the Committee.

## **6. Report from the Chief Executive [SA(19)32]**

6.1 Mr Athow provided an overview of activity and issues for July. In doing so he reported:

- i. ONS had won the Royal Statistical Society's Champion Award for its work on deaths of homeless people, and had placed third for its estimates of student suicides;
- ii. historic data for Blue Book 19 had been published on 27 June; while ONS had met its deadline for the majority of its work, it was not able to provide industry-level data on a double-deflated basis, as had originally been planned;
- iii. following the completion of the National Statistician's data linkage panel, Mr Athow had written to the Department for Work and Pensions and HM Revenue and Customs, setting out next steps on data access; and
- iv. ONS's recent work on the ethnicity pay gap had generated considerable interest and media coverage, and was a good example of the additional analysis and insight now being generated within ONS.

6.2 Members thanked Mr Athow for his update, agreeing that it would be important to continue to monitor progress on data acquisition carefully.

6.3 The Board also discussed an error which had recently been identified within the RPI, as a result of issues within the Living Costs and Food Survey. Mr Athow and Mr Brace informed the Board that ONS were working to understand the error, and publish an error notice.

## **7. Report from the Director General for Regulation [SA(19)33]**

7.1 Mr Humpherson provided an update on regulation activity since the last Board meeting.

7.2 In addition to the activity reported by Prof Trefethen, the OSR had launched its regulatory vision document on 25 June. Alongside the publication itself, the OSR had held launch events in Edinburgh, London and Cardiff. An event in Belfast was also planned. The OSR continued to consult on the draft vision, seeking input from the Government Statistics Service (GSS), partner organisations, and other stakeholders.

## **8. EU Exit [SA(19)40]**

8.1 Mr Bumpstead provided an update on the statistical system's preparedness for the UK's departure from the European Union.

8.2 Following recent announcements by Government, the office's EU exit programme would again focus its attention on no-deal planning, picking up on the comprehensive work that had been undertaken ahead of March 2019.

8.3 Board members discussed potential areas of demand for data in the event of a no-deal exit, highlighting the importance of fast indicators.

## **9. Census Update [SA(19)37]**

9.1 Mr Bell and Ms Tyson-Payne provided an update on preparations for the 2021 Census.

9.2 The *Census (Return Particulars and Removal of Penalties) Bill* had received its second reading in the House of Commons, and the office was planning for the Committee, Report and Third Reading stages to take place shortly after the summer recess.

9.3 In advance of laying the Census Order before Parliament, and in line with the Board's previous request, ONS continued to monitor levels of public acceptability around proposed questions, using information gathered via other surveys, cognitive testing, and social media monitoring.

- 9.4 As no changes in the public acceptability of planned Census questions had been identified since the National Statistician made his recommendations on Census content, the Census Order had been drafted in line with those recommendations.
- 9.5 Ms Tyson-Payne reported that progress toward the October Census Rehearsal remained positive, with many services now live and several field staff in place. The electronic questionnaire was in its final stages of development and would shortly begin final testing.
- 9.6 Board members discussed preparations for the 2021 Census across the UK, and heard that the OSR was conducting its early assessments of the Census across ONS, National Records Scotland, and the Northern Ireland Statistics and Research Agency.

#### **10. Global Data Platform [SA(19)36]**

- 10.1 Mr Smith introduced a paper on ONS's role in developing the UN's Global Data Platform.
- 10.2 As part of its work with the UN Global Working Group on Big Data for Official Statistics, ONS had been supporting the development of the UN Global Data Platform since its inception in 2017. The Platform aims to provide a cloud-service eco-system, to support international collaboration in the development of official statistics, and to help countries measure the Sustainable Development Goals. Following the delivery of a successful pilot platform by ONS, the UN recommended the expansion of the programme, within an independent institute under the UN umbrella.
- 10.3 The Board confirmed that, having successfully established proof of concept, it was now appropriate for a separate body to lead and fund the development of the platform.

#### **11. Retail Prices Index [SA(19)35]**

- 11.1 Mr Athow and Mr Brace presented plans for the communication of the Authority's recommendations to the Chancellor, regarding the future of the RPI.
- 11.2 Board members expressed concern that almost five months after their recommendations had been made to the Chancellor, no response had been received. It was agreed that the Chair would write to the new Chancellor, drawing his attention to the Authority's proposals and stressing the need for a timely response.
- 11.3 To provide an opportunity for the new Chancellor to consider the Authority's recommendations and to develop a considered response, the Board agreed that it would wait until the first week of September to publish its recommendations. In considering issues of timing, Board members discussed thoroughly the implications of the timing of any announcement on the gilt market.
- 11.4 Mr Athow and Mr Brace agreed to reflect the Board's discussion within communications plans.

#### **12. Public Administration and Constitutional Affairs Report [SA(19)34]**

- 12.1 Members discussed the recently published PACAC report, *Governance of Official Statistics: redefining the dual roles of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007*. The report was published on 18 July and debated briefly in the House of Commons on the same day.
- 12.2 As a response was due to the Committee ahead of the Board's next meeting, members agreed to consider a draft response by correspondence.

#### **13. Spending Review [SA(19)38]**

- 13.1 Mr Bateson updated the Board on preparations for the 2019 Spending Review (SR19). Work continued across the office to finalise the Authority's SR19 bid ahead of the end of the summer. Mr Bateson flagged, however, the need to be flexible given the political context.

13.2 Board members considered the emerging narrative and agreed the bid should echo the Authority's strategic ambitions.

**14. Any other business.**

14.1 Ms Boaden informed Board members that she had visited the Newport site, as part of her recent induction. She reported that she had been extremely impressed by the enthusiasm and capability of those staff she had met.

14.2 There was no other business. The UK Statistics Authority Board would next meet at 10.00 on 26 September in Cardiff.

# UK STATISTICS AUTHORITY

## Agenda

30 July 2019, 09:15 to 14:00, Boardroom, London

**Chair:** Sir David Norgrove

**Apologies:** Nora Nanayakkara

**Attendees:** Ms Nicola Tyson-Payne (for item 9), Mr Rhys Thomas (for item 10)

### 09:15 – 09:45: Non-Executive Session

|                             |   |  |
|-----------------------------|---|--|
| 1<br>09:45-09:50<br>5 mins  | Minutes and matters arising from previous meetings <ul style="list-style-type: none"><li>Declarations of interest</li></ul> | Meeting of 18 June 2019                        |
| 2<br>09:50-10:05<br>15 mins | Report from the Authority Chair   | Oral report<br>Sir David Norgrove              |
| 3<br>10:05-10:10<br>5 mins  | Report from Committee Chair <ul style="list-style-type: none"><li>Regulation Committee</li></ul>                            | Oral report<br>Prof Anne Trefethen             |
| 4<br>10:10-10:25<br>15 mins | Report from the Chief Executive   | SA(19)32<br>Mr Jonathan Athow                  |
| 5<br>10:25-10:40<br>15 mins | Report from the Director-General for Regulation   | SA(19)33<br>Mr Ed Humpherson                   |
| 6<br>10:40-11:10<br>30 mins | Public Administration and Constitutional Affairs Committee Report   | SA(19)34<br>Sir David Norgrove                 |
| 7<br>11:10-11:50<br>40 mins | Measuring inflation - communications  | SA(19)35<br>Mr Jonathan Athow<br>Mr Owen Brace |
| 8<br>11:50-12:10<br>20 mins | United Nations Global Platform  | SA(19)36<br>Mr Jonathan Athow                  |

### 12:10-12:40: Lunch

|                              |                    |   |
|------------------------------|--------------------|---|
| 9<br>12:40-13:25<br>45 mins  | Census update      | SA(19)37<br>Mr Iain Bell<br>Ms Nicola Tyson-Payne |
| 10<br>13:25-13:45<br>20 mins | SR19 bid update    | SA(19)38<br>Mr Nick Bateson<br>Mr Rhys Thomas     |
| 11<br>13:45-13:55<br>10 mins | Brexit update      | SA(19)40<br>Mr Rob Bumpstead                      |
| 12<br>13:55-14:00<br>5 mins  | Any other business |   |

**Next meeting: 26 September 2019, Cardiff, 10:00 to 16:00**

# UK STATISTICS AUTHORITY

## *Chief Executive's Report, July 2019*

### **Purpose**

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

### **Summary**

2. This is my first month as interim National Statistician. We have much to do in the coming months, on data acquisition, further improvements to economic statistics, and completing the Census Rehearsal. My focus is ensuring we do not lose momentum on transformation and that the senior team works effectively following the recent staff turnover.
3. The Public Administration and Constitutional Affairs Committee (PACAC) reported on their inquiry into the governance of official statistics, which gives us much to think about. The GSS celebrated some of the highlights of the past year at the Royal Statistical Society (RSS) Champion Awards for Official Statistics. ONS work on deaths of homeless people won the award, with estimates of student suicides in second, and the Scottish Household Survey in third.

### **Review of recent activities**

4. Important developments in recent weeks include the following:
  - i. Blue Book '19: The historic data (up to 2016) was published on 27 June, meeting our deadline and with little stakeholder or media reaction. We did not fully deliver all we had hoped for, and industry-level data could not be produced on a 'double-deflated' basis. This was disappointing but reflected some quality concerns with some of the detailed industry data relating to prices and margins. The team will work on this data with the aim of producing the industry-level output data in Blue Book '20.
  - ii. Data acquisition: Following completion of the National Statistician's panel on data linkage we are writing to the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC) outlining the next steps setting a deadline of October 2019 to secure the data. The Governor of the Bank of England has also offered to write to Government on the need for ONS to have better data access so that the Bank can have the information it needs for decision making.
  - iii. Scanner data: We now have test data from three retailers, with one retailer being close to providing an ongoing supply of data.
  - iv. Ethnicity pay gap: On 9 July, an article looking at the ethnicity pay gap was published. This generated considerable interest and media coverage. This is a good example of some of the additional analysis and insight being generated in ONS.
  - v. Office for Tackling Injustices: On 12 July the Government announced the establishment of this new Office. While exactly how it will function is to be determined, we have written to offer our support on its role in gathering and analysing data on disparities of outcomes.
  - vi. Data Capability: Frankie Kay started as interim Deputy National Statistician for Data Capability.
  - vii. Civil Service Live: Analysts from across government have been presenting at Civil Service Live events all around the country. Topics covered include the Analysis Function, Demystifying Data Science, and the Sustainable Development Goals.
5. Other activities and risks being managed during this period include:
  - i. Stronger 'one office' planning. A number of recent reviews have recommended strengthening cross-ONS planning and prioritisation. Nick Bateson has been using our Portfolio and Investment Committee to take this forward, and this work is continuing.

**Future look**

6. Things are normally a little quieter in August, although that may not be true this year. In the next few weeks, we expect our economic indicators, labour market, and migration statistics to be closely scrutinised for signals about how the economy and society is responding to ongoing discussions about the UK's relationship with the EU.

**Jonathan Athow, interim National Statistician, 23 July 2019**



# UK STATISTICS AUTHORITY

## *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 activities since the last Board meeting include:

- OSR vision:** On 25 June we launched the Regulatory vision document. Alongside the publication itself, we held launch events in Edinburgh (25 June), London (26 June) and Cardiff (1 July). The background is that one of my reflections from the Select Committee hearings was how stakeholders do not have a good awareness of our work. This is not their fault – it is our job to explain ourselves, and we have lacked a simple, clear statement of what we do. The purpose behind the launch of the Regulatory vision was to reach a wider audience of interested stakeholders – people who were familiar with some of our outputs but perhaps do not appreciate the philosophy and purpose that sits behind the work. Generally, the feedback has been very positive. The informal on-the-day feedback was welcoming; and subsequent emails, while low in volume, have also been positive, including from some significant stakeholders, including Ben Page of IPSOS Mori, the Royal College of Emergency Medicine, and the journalist Nick Ross. They have also raised a few questions, including how we judge when to step in to protect statistics in public debate; and the need to raise our low international profile. We are now following up the launch in a variety of ways:
  - we will seek input from the GSS as our core audience through bilateral; discussions, a blog on the GSS website, and at regular GSS events;
  - we will arrange bilateral follow ups with a range of stakeholders e.g. the RSS, Full Fact, and selected journalists;
  - we will also draw attention to the vision statement at other events (for example, recently I hosted a breakfast for Whitehall directors of analysis); and
  - we are also considering a focus group with members of the public in partnership with an organisation like Sense about Science, though plans here are not well developed.
- Annual report and Insight:** We published the OSR annex to the Annual Report as a separate “annual review”, summarising the themes of our work over the last year. I think this is a really good way of pulling together various strands from our work. We also published our first “Insight” output – again, which consolidates findings from a range of OSR outputs under a single theme. The theme of the first Insight output was ‘coherence’.
- Data landscape:** We held a data landscape workshop with the Geospatial Commission, the Information Commissioner’s Office, Department for Digital, Culture, Media and Sport, ONS and several others in July. This event was more focused than the first and explored pathways to improved data access; the best approaches to data ownership; and the broader issues of data ethics. As well as producing a note that we may then publish, we propose that Sir David arrange to meet senior civil service leaders – Sir Mark Sedwill and John Manzoni – to emphasise the importance of leadership on data issues at the most senior levels in Government.

- iv. **Education:** Following my letter to the Permanent Secretary at the end of May, which recommended that the Department produce more informative and comprehensive statistics on school funding, Sir David and I met the Secretary of State for Education on Monday. He confirmed his support for the production of much better statistics on school funding, and broadly speaking supported the Authority's work.
  - v. **Migration:** We discussed concerns about the quality of the estimates of long-term migration estimates at the recent Regulation Committee. We are planning to publish a short statement on these issues so that the regulatory perspective on them is clear.
  - vi. **External engagements:** I was the keynote speaker at a conference on Smart Meters. I spoke about the public good role played by statistics and how this is as important for consumer data as it is for other forms of data. I also spoke at a really good RSS event on the future of statistics qualifications – it is a pity this had a low turn-out: the other speakers and the discussions were excellent – and repeated my lecture based on Gresham's Law (how to stop the bad data driving out the good) for the Institute of Actuaries. Finally, I hosted a breakfast event for departmental Directors of Analysis, and a separate one for CEOs of regulators (Ofgem, Ofwat, Competition and Markets Authority, Civil Aviation Authority).
4. The main challenge on my mind remains profile and impact, in the light of the PACAC report.

**Ed Humpherson, Director General for Regulation, 22 July 2019**

## **List of Annexes**

**Annex A      Regulatory Activities**

## Regulatory Activities July 2019

| Economy   | Business, industry, energy and trade   | Children, education and skills  | Labour Market and welfare  |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>Assessment: HMT Country and Regional Analysis – conferenced team about Phase 2 requirements. HMT due to report end of Aug. Next statistical bulletin in Nov.</li> <li>Compliance Check: Reviewing communication for BlueBook19. We will close off after ONS publish article about changes under BB19 in Capital Stocks stats in Aug. Started CC of ONS Business Demography statistics.</li> <li>Systemic Review: Closed SR of public value of devolved public finance statistics, see separate report.</li> <li>Casework: Completed claims of misleadingness by NS&amp;I on changes in index of savings certificates and press statements in Scotland about reductions in Scottish Block Grant.</li> </ul> | <ul style="list-style-type: none"> <li>UK Trade: Awaiting Service sector Asymmetry analysis from Thomas Baranga and an impact assessment for the introduction of VAT data on the quality of trade estimates, before re-presenting the case for UK Trade re-designation.</li> <li>Annual Purchases Survey: Assessment findings quality assured by SLT. The updated paper will be presented to the July Reg Comm, providing detail on data quality issues ONS need to address before the survey can continue to be assessed for National Statistics status. We discussed the findings with ONS on the 10<sup>th</sup> July.</li> <li>Insolvency Compliance Check: Short review of Company and individual Insolvency statistics completed and letter published on 5<sup>th</sup> July.</li> </ul> | <ul style="list-style-type: none"> <li>Compliance checks: Work continues on Scottish School Leaver attainment and Initial Destinations Statistics and on Further Education and Skills in England with meetings planned with producers.</li> <li>Casework: School Funding Statistics – meeting planned between Sir David and SOS for Education to discuss DfE’s plans for improved information on school funding. Teaching Excellence and Student Outcomes Framework – currently assessing the Independent Review’s initial findings and continuing stakeholder liaison.</li> <li>Systemic Review: Stakeholder engagement on the Skills review focused on Scotland, Wales and Northern Ireland is now underway.</li> </ul> | <ul style="list-style-type: none"> <li>Compliance checks: Discussed CC of civil service statistics with Cabinet Office.</li> <li>Assessment: Kick-off meeting for ONS labour market stats assessment in mid-July. Requested list of documents from ONS. Currently planning user engagement.</li> </ul> |
| Crime and Justice   | Housing, planning and local services   | Health and Social Care  | Population   |
| <ul style="list-style-type: none"> <li>Systemic Reviews: The report on the second phase of the policing review has been completed and submitted to regulation committee. We have also produced a Shiny Dashboard showing some of the data we used for the analysis.</li> <li>Compliance check: The compliance record for the NI Safer Communities Survey is completed. We are waiting for a meeting with the statistical team to go over some questions we have.</li> <li>Assessments: Started assessment of NI Motoring Offences stats. Having kick-off meeting with team at the start of August.</li> </ul>   | <ul style="list-style-type: none"> <li>Casework: Rough sleeping letter published 5<sup>th</sup> July to MHCLG. Meeting dept to discuss wider issues. Responded privately to complaint about presentation of adult social care precept on council tax bills.</li> <li>Systemic reviews: A Housing and Planning Statistics User Survey ran April to May. Summary of results and next steps published shortly. A first draft of cross-UK article on Affordable Housing shared with producers for feedback.</li> <li>Compliance check: Met with Welsh Govt end of June to discuss findings on Affordable Housing Provision statistics.</li> </ul>  | <ul style="list-style-type: none"> <li>Systemic Reviews: Mental Health review now underway. Social Care review: Scotland Round Table held 26 June; Wales report published; substantial papers about Scotland and England for review in July Reg Comm.</li> <li>Casework: Private correspondence sent to NHS Digital about experimental statistics not being highlighted as experimental in social media updates.</li> <li>Published: A response to the Scottish Government’s consultation about the creation of Public Health Scotland.</li> </ul>  | <ul style="list-style-type: none"> <li>Census assessment outline and migration update are being provided to regulation committee in separate papers.</li> </ul>  |
| Security, defence and intl relations  | Travel, transport and tourism  | Agriculture and environment   | Culture and Identity   |
| <ul style="list-style-type: none"> <li>Compliance check: Desk research for CC on Dfid’s Statistics on International Development to start.</li> <li>Domain Activity: Talks with GPT to promote Code and role of OSR in Dfid</li> <li>Domain activity: Starting engagement with Julia Edwards at MoD.</li> </ul>  | <ul style="list-style-type: none"> <li>Assessment: Working on Transport Focus’ National Rail Passenger Survey.</li> <li>Compliance checks: Continuing CC of DfT’s Road Accidents and Safety statistics.</li> </ul>   | <ul style="list-style-type: none"> <li>Assessment: Draft air quality and emissions stats assessment report going to July Reg Committee. Publishing report end of July.</li> <li>Systemic review: Started Defra user engagement systemic review. Meeting with Defra HoP and user engagement working group end of July.</li> <li>Casework: Published letter to Rebecca Long-Bailey MP about stats on solar installations.</li> </ul>  | <ul style="list-style-type: none"> <li>Compliance Check: Published CC on Industry Statistics produced by Gambling Commission.</li> </ul>   |

# UK STATISTICS AUTHORITY

## ***Public Administration and Constitutional Affairs Committee Report***

### **Purpose**

1. This paper introduces the latest report of the Public Administration and Constitutional Affairs Committee (PACAC), *Governance of Official Statistics: redefining the dual roles of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007*.
2. A further perspective from the Director General for Regulation will be provided at the meeting.

### **Timing**

3. The report was published on 18 July and debated briefly in the House of Commons on the same day. The Authority has 60 days, until 16 September, to formally respond, but in practice should do so before the conference recess.
4. To meet this timeline, a draft response will be provided to the Board by correspondence once drawn up by the Parliamentary Unit, who will work closely with teams across ONS, OSR and GSS on the various recommendations as appropriate.

### **Recommendations**

5. Members of the Authority Board are invited to:
  - i. note the select committee's report; and
  - ii. discuss the Authority's response to the report.

### **Background**

6. PACAC is the select committee responsible for scrutinising the work of the Authority. The Authority submitted written evidence to the inquiry, and Sir David Norgrove, John Pullinger and Ed Humpherson appeared in front of the Committee in person. A full list of witnesses is included at page 64 of the report.

### **Discussion**

7. Although the report is critical of the Authority, it acknowledges the significant improvements made to build and maintain trust in official statistics in the 10 years since its creation.
8. PACAC's inquiry was launched in December 2018 and took oral evidence between February and April 2019. The inquiry followed on from the Lords' Economic Affairs Committee's report on the RPI, published in January; it draws on that report as a case study and recommends the Authority respond immediately, so that Parliament can begin holding the Government to account on this matter.
9. The other chapters of the report relate to improving the understanding of the use of statistics and various aspects of statistical governance, including the Authority's relationships to Parliament and to Government, and its internal structure.

### **Use of Statistics**

10. On the use of statistics, the report says the Authority is not fulfilling its public good remit without a better understanding of data needs. The recommendations set out a programme of consultation and engagement, which the report sees as taking a system-wide, cross-government approach, analysing needs sector by sector and considering data gaps highlighted by third parties. The report challenges the Authority and the incoming National Statistician to lead the statistical system by example, and PACAC

holds up a 2007 report<sup>1</sup> by the Statistics Commission, the non-statutory forerunner of the Authority, as a model.

11. In recent weeks, staff from across ONS, OSR and the UK Statistics Authority have begun exploring options for a joint programme of work to build a better cross-system understanding of the statistics the UK needs. This would supplement systemic reviews by OSR that routinely engage extensively with stakeholders and have highlighted major gaps in understanding where official statistics might be developed to complete the picture.
12. We are conducting desk research to understand what sources of intelligence already exist within the system and how other National Statistical Institutes identify demands for data. In parallel, options are being developed for a programme of engagement with users of statistics – including policy-makers, Parliamentarians and expert users, as well as members of the public (in a series of regional road-shows).
13. This programme of work would not only provide a clearer picture for the statistical system of demands for statistics, and current data gaps – it would also have the benefit of providing a very public demonstration the way in which we can engage with users, potential users and other stakeholders, as advocated in the Code of Practice. These proposals are expected to directly address the committee’s concerns and – depending on the views of the Board – could be accelerated, so as to meet deadlines for a response to PACAC.
14. The chapter on uses for statistics also contains recommendations on the publication and accessibility of statistics, acknowledging improvements made, but also asking producers to do more, particularly for non-expert users and alongside the media.

#### Governance

15. PACAC recommends legislation amending the Statistics and Registration Service Act, to replace what it describes as the “misconceived” dual role of the Authority with a regulator entirely separate to the national statistical institute. However, the Committee agrees with the evidence from witnesses that new legislation is not currently practical and puts forward detailed recommendations that are deliverable within the existing legislation.
16. The report recommends a series of measures to strengthen the Office for Statistics Regulation and demonstrate its independence, including additional resources, separate premises, separate reporting, and greater transparency into the role for the Regulation Committee, to whom it would give a budgetary role.
17. The report pushes for greater transparency across the Authority’s activities, including the publication of more informative minutes and the publication of a framework document making clear the roles of the various parts of the statistical system, such as the GSS which is not defined in legislation.
18. PACAC also states its intent to invite the Authority to appear at the Committee annually following the publication of the Annual Report, and asks for that to be supplemented with further annual and quarterly reports and correspondence. It also recommends the OSR include the Committee in correspondence on interventions, and makes regular reports to departmental select committees.
19. Elsewhere, the report calls on the Authority to be more strident in its opposition to Pre-Release Access outside ONS.

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<sup>1</sup> <https://www.statisticsauthority.gov.uk/wp-content/uploads/tempdocs/report-33--the-use-made-of-official-statistics--march-2007-.pdf>

### Other recommendations

20. In addition to all the above, the report makes a handful of more specific recommendations, including for the Authority to play a stronger leading role in the use of data and technology across government, including the implementation of the Digital Economy Act, in data ethics and in data science – recognising the success and transformative potential of the Campus. These are all areas where the Authority is well-placed to deliver.
21. The report also praises John Pullinger’s strong leadership over the last five years and notes the rare combination of skills needed in that role. The report recommends considering separating elements of the role and developing a more strategic approach to succession planning, as well as strengthening statistical leadership within departments.

### **Conclusion**

22. There are a number of recommendations from the Committee that require reflection and consideration from the Board. Of particular note is the report’s final recommendation: that the Authority’s next strategy provides an opportunity to address many of the points made by the Committee. Likewise, the appointment of a new National Statistician provides a further opportunity to take on board PACAC’s findings, and to expand on a written response at a post-appointment hearing.

**Will Laffan, Central Policy Secretariat, 23 July 2018**

**UK STATISTICS AUTHORITY**

***Measuring Inflation report – communications***

The Authority's response to the Lords Economic Affairs Committee Report has now been [published on the UK Statistics Authority website](#).

# UK STATISTICS AUTHORITY

## *United Nations Global Platform*

### **Purpose**

1. This paper provides an update on ONS's role in developing the UN Global Platform (UNGP).

### **Timing**

2. This information is brought to the Board in advance of discussions with HM Treasury and with the UN and external partners.

### **Recommendations**

3. Members of the Authority Board are invited to:
  - i. note the UNGP's progress to date (paragraphs 4 to 10);
  - ii. comment on the proposed support role for ONS in scaling the pilot platform into an independent institute under the UN umbrella (paragraphs 11 to 13); and
  - iii. support the exploration of mechanisms for transferring assets, and ONS discussing with HM Treasury, in the context of the associated risks (paragraphs 14 to 15).

### **Background**

4. Under the governance of the United Nations Global Working Group on Big Data for Official Statistics (GWG), the UNGP is developing a cloud-service ecosystem to support international collaboration in the development of official statistics using new data sources and innovative methods, and to help countries measure the Sustainable Development Goals (SDGs) to deliver the 2030 Sustainable Development Agenda.
5. ONS has been part of GWG since its inception in 2014. The ONS DG Data Capability was invited to Chair the Task Team on Global Platform in 2016, and to become Co-Chair of the GWG in 2018 (together with Niels Ploug of Statistics Denmark). In 2017, the UN Statistical Commission approved a 2-year period to develop the UNGP based on the concept of a federated ecosystem.
6. As part of ONS Data Capability Transformation Programme, Data Capability set up a small team to look into innovative tools and techniques in the data space. This team has developed the UNGP. Alongside the technical development, the UNGP team have secured agreements with data holders to license and acquire datasets for statistical use, including global shipping and flight datasets, and high-resolution satellite imagery. ONS allocated £1 million to the UNGP pilot in 2018/19. The forecast spend for 2019/20 is £1.7 million.
7. The speed with which the UNGP platform has been deployed has demonstrated how technology can be more agile, flexible and responsive to business needs. ONS's leadership of the UNGP development has resulted in a significantly raised profile for ONS innovation and data capability within the international statistics community. Direct technology benefits to ONS include identifying and trialling technologies such as: Apache NiFi for data ingestion pipelines (now used for DAP); Algorithmia Methods Service (used for a proof-of-concept for ONS Legacy Uplift); and the use of cloud services which have influenced the technology strategy and the emphasis on cloud-native technology. In addition, the UNGP is used by ONS and National Statistics Institutes (NSIs) in the GWG Task Teams for the development and testing of new data sources, methods and algorithms, including regular outputs from the Data Science Campus faster economic indicators, GWG Task Team work led by Statistics Canada and ONS on price indices using scanner data, and using satellite imagery for agricultural statistics. Sustainable Development Goal indicators and international development work have also benefitted from the Platform.



8. The UNGP programme, led by the GWG and developed by ONS under the Global Platform Task Team, is recognised by the UN and other NSIs as a successful pilot of cloud infrastructure, methods, data and processing power to support the global statistical community. ONS is credited with driving the programme to deliver a rapid proof-of-concept. The pilot platform has delivered a number of services and case studies that demonstrate the impact in terms of statistical outputs and analysis.
9. The fifth UN International Conference on Big Data for Official Statistics in May 2019 led to the Kigali Declaration, committing UN support to scaling the pilot into independent institute under the UN umbrella, with regional hubs spanning the globe. The UN has agreements in place with NSIs in Rwanda and China, with others anticipated (potentially the Organisation for Economic Co-operation and Development (OECD), UN Economic Commission for Africa and the UAE as well as ONS).
10. UNGP case studies are included in the [UNGP brochure](#): “Data for the world”.

## Discussion

11. ONS continuing to take an active role in the evolution of the UNGP would demonstrate – on a global scale – *strong leadership across technology, data science and influencing improved sharing of data, as recommended in the PACAC report on the governance of official statistics*<sup>2</sup>. In addition, the institute’s work would enhance ONS’s own ODA-funded international development programmes and SDG reporting. Given the value of the Global Platform to NSIs and the statistics community, it is likely that ONS would provide some further support as one part of a wider group of supporters.
12. The independent institute is designed to deliver services to NSIs and the global statistics community. Scaling the work into an independent institute entails work to setup the new institute governance and funding. On behalf of the UN GWG, Heather Savory is leading efforts to explore a basket of funding.
13. To facilitate setting-up the new institute, we would need to explore how to transfer the work done by ONS’s UNGP team to an independent entity, including discussions with HM Treasury over asset transfer and Intellectual Property. The level of any on-going financial and resource contribution from ONS and the potential for us to host one of the world-wide UNGP hubs will also be explored.

## Conclusion

14. ONS has funded and developed a pilot innovation project, which has successfully demonstrated a proof-of-concept for the UN Global Platform (UNGP) and engaged the community of users. We, and the UN, are now planning to scale into a global UN agency funded predominately by others.
15. The next stage is for ONS to discuss the future plans with HM Treasury ahead of submitting the proposed UNGP business model to the UN Statistical Commission in November 2019. In order to facilitate this, we are seeking the UKSA’s:
  - i. approval to proceed with discussions with HM Treasury to facilitate the set up of the independent institute;
  - ii. views on the transfer of work and intellectual property and the substance of the transaction; and

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<sup>2</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-and-constitutional-affairs-committee/inquiries/parliament-2017/governance-of-statistics-inquiry-17-19/publications/>

- iii. views on the nature of the UKSA's ongoing support to the UNGP and relationship with the charity.

**Tom Smith, Data Science Campus, 22 July, 2019**

# UK STATISTICS AUTHORITY

## *Census Rehearsal – Update*

### **Purpose**

1. As promised from previous meetings, this paper provides the Authority Board the latest update on:
  - i. overall programme progress and preparations for the Census Collection Dress Rehearsal;
  - ii. whether there have been changes in public acceptability to questions since the White Paper and updates on progress of both primary and secondary legislation; and
  - iii. plans for updating the Board both at future Board meetings and during live operations.

### **Recommendations**

2. Members of the Board are asked to note that the programme remains Amber overall and specifically that:
  - i. progress towards the Census Rehearsal remains positive and our confidence around successful delivery is good. Many elements of services are now live, and the first field staff are in post. As the digital build reaches around 70 per cent complete effort remains focussed on maximising remaining build time and end to end integration testing;
  - ii. a final “go live” decision will be made on 10 September. As reported to the Board last time, we still expect to need to compromise on some elements of the build or test over the coming months. An external Infrastructure and Projects Authority (IPA) Readiness Assessment was commissioned for additional external assurance. Held in mid-July the report concludes that the review team is confident there will be a meaningful rehearsal. However, we need to improve our Service Integration function to ensure we minimise the compromises in the rehearsal, and therefore need for testing outside of rehearsal;
  - iii. when signing off the White Paper, the Board asked for a report on any changes in public acceptability prior to the Census Order being laid. Our social surveys and research show no changes in public acceptability. The primary legislation has passed the Lords and is now passed second reading in the Commons;
  - iv. as agreed, the latest Integrated Performance and Finance Report (IPR) shows the high-level programme metrics; and
  - v. the plan for meeting papers and that during live in the rehearsal we will update Board members through the weekly e-mail on progress.

### **Programme Progress and Collection Rehearsal Update**

3. The Programme remains at Amber. Following a Treasury Approval Point on 26 June 2019, HM Treasury (HMT) have approved the business case funding for this year. Confirmation of conditions to the release of funding have now been provided. A response will be issued by end of July.
4. Progress towards the Census Rehearsal remains positive with many elements of services now live, including those supporting platforms and integrations. As the digital build reaches around 70 per cent complete, effort remains focussed on maximising remaining build time and end to end integration testing. It is likely that we will achieve between 80 per cent and 90 per cent of desired digital build. As such processes are in place to ensure that where compromises or work arounds are required, scope remains unchanged.

5. Progress is also being made on preparing printed materials. The questionnaire for rehearsal has now been finalised and communications products are being signed off. The campaign website has been built with final content now being produced.
6. Six field staff are now in post and each have a connected field device with a 'lone worker' solution installed, which provides additional safety and security. They have been brought on to the payroll and are successfully using the online self-help materials and accessing contact centre support. Additionally, the recruitment and attraction campaign for the 'bulk' field vacancies went live on 16 July through the Census Jobs ([www.censusjobs.co.uk](http://www.censusjobs.co.uk)) website. In total we expect to recruit around 430 field staff for the rehearsal.
7. A demonstration of these services and products, along with supporting infrastructure was given to Sian Jones on 4 July.
8. Testing continues, though the window for final user acceptance and end to end integration testing is short and remains under pressure. Additional resources are being recruited to assist with this and options to carry out more testing earlier in the development lifecycle are being explored.
9. Operational governance arrangements have now been finalised with daily and weekly meetings scheduled to allow for reporting, media assessment and incident management. This will facilitate effective monitoring and control of the field operation. The Board will be kept notified of operational progress weekly through the Friday email.

#### **Operational readiness and wider risks**

10. An external Readiness Assessment was commissioned from the IPA. This was to provide additional external assurance around preparations for the Collection Rehearsal and was held in mid-July. The Review team has confirmed the position that the rehearsal will go ahead and did not identify any major operational risks. They identified actions that would ensure we minimise the need for work-arounds or compromises and that will help make the planning through to 2021 easier. The report emphasised the need not to compromise on end-to-end testing and the need to improve our Service Integration (SI) function.
11. An improved SI function will bridge the differing approaches to service design and build from all internal and external suppliers. It will ensure a single end to end service is created that meets the need of respondents, field officers and our data. It will help minimise the compromises in the rehearsal development. The profile of risk for the rehearsal remains unchanged since the last Board meeting and individual risks are being closely managed, in particular those around security, technical development, field operations and communications.
12. The three UK Census bodies jointly commissioned a National Cyber Security Centre accredited company to review the security arrangements for the Census. The company have rated ONS as good (their highest rating). The report will be discussed at the September Audit and Risk Assurance Committee meeting and a summary will be published prior to the rehearsal. Implicit within this is the need for National Records for Scotland to mature further across many aspects of their programme – not just security.

#### **Public acceptability and legislative progress**

13. When the Board approved the Census White Paper, it was noted that public acceptability can change quickly. We agreed to consider whether there has been any change before the Census Order is laid before Parliament. Specifically, depending on progress around EU Exit, this could have an impact on data quality for the 2021 Census.
14. We can infer public acceptability by looking at other ONS social surveys. These allow us to see whether there are any emerging issues relating to a topic area. There is a general trend (industry-wide) of declining social survey response rates. However, there is no

evidence that particular questions have driven this, which suggests that there are no specific acceptability concerns.

15. The Annual Population Survey (APS) includes questions on nationality and national identity. The non-response to these questions has remained low (less than 0.1 per) and unchanged over the period 2014 to 2018. There is no evidence through 2019 of any change in this. We will continue to monitor for changes both in question level and overall response as an indicator of public acceptability.
16. We have also undertaken 'cognitive testing' of questions. This does not explicitly deal with acceptability but is likely to elicit any concerns people might have. The cognitive testing has focused on a limited number of topics – sexual orientation, gender identity, armed forces and the 'Who Usually Lives Here' section. Of the testing that has taken place there have been several large-scale quantitative tests. We have not identified any specific unwillingness to participate based on a lack of trust in statistical collections in general, or specifically in the ONS.
17. Since the White Paper we have also monitored all the main social media platforms for evidence of changing public acceptability that might affect the quality of the 2021 Census. To date, nothing significant has been identified in this space. We will continue to monitor social media for this over the next two years.
18. Given there are no concerns in changes to acceptability levels, the Census Order has been completed in line with the recommendations made in the White Paper.
19. The Census (Return Particulars and Removal of Penalties) Bill has received its second reading in the House of Commons. We are now planning for the Committee, Report and Third Reading stages to take place as soon as possible after summer recess. We are planning for the Order to be laid in the House in October.
20. The Sikh Federation have served Judicial Review papers. They are seeking to prevent the use of Her Majesty's discretion to make the Order in Council. The Cabinet Office is listed as the defendant with the Statistics Authority noted as an interested party. We are working with the Cabinet Office to provide a response. We will provide a verbal update at the Board.

#### **Future updates to the Board**

21. We will take the full Operational Readiness assessment to the September Audit and Risk Assurance Committee meeting.
22. The evaluation plan for the Collection rehearsal has been drafted and continues to be refined. Lessons will be learned throughout the operation and resulting actions built into plans as quickly as possible. The final evaluation report will be complete by the end January 2020. Early findings will be shared in January and the full update to the March Board.
23. During the Collection Rehearsal, the focus will be on operations and we envisage Board members will wish more frequent updates. We plan to cover these in the weekly e-mail to Board members.
24. During the live period, Board papers will focus on legislative progress which will be happening in parallel or any significant new emerging risks.

**Iain Bell, Deputy National Statistician for Population and Public Policy**  
**Nicola Tyson-Payne, Interim Director of Transformation, Population and Public Policy,**  
**19 July 2019**

## UK STATISTICS AUTHORITY

### *Spending Review 2019 – Update on Progress*

#### **Purpose**

1. This paper provides the Authority Board (the Board) with an update on the progress of the Authority's emerging Spending Review 2019 (SR19) bid.

#### **Recommendations**

2. The Board is invited to:
  - i. note the development of the bid process, our approach and the latest information in terms of timelines and next steps;
  - ii. consider the rationale for the bid and the links to the Authority strategy/developing strategy; and
  - iii. consider the following in relation to the emerging bid (paragraph 20):
    - the overall scale of the bid and in particular the level of additional running costs;
    - the value and nature of the emerging efficiency plans; and
    - the prioritisation and scale of the investment that we should seek for both a 1-year and 3-year exercise.

#### **Background**

3. Given the current political backdrop the timelines for SR19 remain fluid and dependent on the views of the incoming Prime Minister and any replacement Chancellor. Whilst we are planning based on a standard 3-year review starting from April 2020 there is an increasing likelihood that HM Treasury will trigger a one year exercise as an interim approach given the various political uncertainties. No formal communication has been issued to this effect, but our HM Treasury spend team has given ever stronger indications during our bi-lateral meetings and engagements with the Government Finance Profession.
4. The duration of SR19 is not the only uncertainty. We have used the advised planning horizon – a formal request to prepare a submission in July 2019 with responses returned in early September – as a basis for our preparation and milestones. However, we have been iterating our preparatory work throughout this calendar year so that we are able to respond should the turnaround time be much tighter. In interim guidance, HM Treasury has set out contingency options, which focus on the nature of the one year exercise during 2019/20 with the main variable being the timing of submissions - with respect to the appointment of a new Prime Minister and the current timetable for EU Exit.
5. In terms of the process – HM Treasury has set out a standard three-stage negotiation/assessment of bids:
  - confirming departmental technical baselines;
  - discussing additional running cost requirements to form a revised SR19 baseline; and
  - considering investment bids.
6. This process will be followed regardless of SR duration, but the investment layer is likely to be significantly curtailed in the context of a one year SR.
7. HM Treasury will issue detailed guidance alongside a series of templates at the time of the Spending Review launch. Much of the information requested will align with what has

been set out ahead of previous spending reviews. There will, however, be new types of information requested, which reflect the current environment and priorities as follows<sup>3</sup>:

- i. Brexit expenditure – setting out the processes for determining funding as a result of EU Exit;
  - ii. Geographical nature of expenditure – across the devolved administrations to strengthen the Union agenda;
  - iii. Public Value – in line with the Public Value Framework departments will be asked to propose 3 or 4 priority outcomes;
  - iv. Cross-cutting reform – outlining baseline funding which could deliver joint policy programmes;
  - v. Deliverability and planning – IPA led reviews of deliverability if the department is in scope;
  - vi. Cross-cutting efficiency – for proposals on emerging technologies and property;
  - vii. Balance Sheet Review – to identify opportunities to strengthen the public sector balance sheet;
  - viii. Human Capital – in scope departments to provide human capital evidence notes for relevant programmes;
  - ix. Leases – departments to set out RDEL (reductions) and CDEL (increases) impacts in light of IFRS 16 which will see many more lease liabilities inclusion on balance sheets; and
  - x. Pay – provision of pay bill and workforce strategies to cover the SR period.
8. Our bid will reflect these priority areas as requested and provide options for emphasising the structure and nature of our bid. Of particular relevance are the requirements to set out priority outcomes, which will need further consideration as we continue to build our organisational strategy; cross cutting reform and efficiency; balance sheet development; human capital; and pay.
9. The Statistics Authority will have a role to play, through ONS's Public Policy Analysis team and the Analysis Function, in supporting government in the assessment and analysis across this agenda.

### ***Synopsis of the Process to date***

10. To help learn the lessons from SR15 we pulled together a sub group of those involved to produce a lessons learned report and we have used this in formulating a plan for the SR19 bid production. The key lessons are to simplify the process and structure of the bid; to accept that the final submission will be based on assumptions; to ensure that there is a cross organisation input; to re-use data that we already held as standard corporate data; and to ensure the process is supported by successive rounds of challenge.
11. An early indication of the timetable for SR19 was given by HM Treasury in Summer 2018. We held preliminary discussions with HM Treasury to assess the planning required; the nature of the bid structure; and the emerging thinking on likely timelines, through the standard Finance led bi-lateral discussions with HM Treasury. The preparatory work to produce the Authority's SR19 bid commenced in Autumn 2018 with the creation of a cross organisational network of key contributors/business area leads; the establishment of a central Finance Planning and Performance (FPP) bid management structure; and the re-focussing of the Business Planning and Controls Group (BPCG) as the key operational oversight committee. The network, FPP team and BPCG form the core team of bid producers and reviewers.

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<sup>3</sup> These factors are set out in the a submission to the cross government finance profession.

12. The process for developing the bid has been iterative and is still ongoing. The central FPP team has engaged with all areas of the business throughout the process, advising key boards and committees along the way.
13. We are aiming to complete our internal processes for the bid by the end of the summer, but will need to continue to be flexible in our approach in the light of the current political uncertainty. We may be asked to submit our proposals at any time with a narrow timeline for response, if the Chancellor in post decides to proceed quickly following the conclusions of the Conservative Party leadership contest.
14. We consider that we are able to submit a bid when required with caveats as to its relative maturity and in the context of the lack of confirmed guidance and scope at this point. The process for a rapid bid sign-off will need to be considered in this eventuality. In this context, our engagement with HM Treasury has been fully transparent and has spanned the entire duration of our preparatory work, so our Spending Team is well briefed on our approach.

### ***Method/Approach to Bid Production***

15. In early discussions with HM Treasury we established a mechanism for breaking down the SR19 exercise – which is more complex because of the Authority’s funding streams. We settled on a model based on a basic equation:
  - Technical baseline extrapolated from SR15 2019/20 funding; plus
  - Additional running costs:
    - a) Baseline Funding for additional business as usual activities as at 2019/20; plus
    - b) ‘Augmented baseline’ costs i.e. those costs that did not exist in the baseline at the time of SR15 an example being those associated with Bean Review Recommendations; less
    - c) The impact of further efficiency plans; plus
  - The costs of any further investment bids the Authority would seek to make which would sit outside of the baseline.
16. The bid content using this model, has been based on two key feeds. The ‘top down’ emerging strategic development work commissioned by the Authority Board in Winter 2018 has been used as a basis for the bid, with regular updates provided by the Board secretariat. This has been supplemented by the detailed, FPP commissioned, business led bids (or ‘bottom up’ approach) which have been developing since early Spring 2019.
17. The business has considered these constituent elements throughout 2019. We have asked for view on ongoing base costs, plus the costs and benefits associated with any investment proposals. We have held a series of Workshops to challenge and refine the bids area by area, supported by key corporate function staff. The central FPP team has managed the process to ensure momentum is maintained.
18. Whilst the proposals have been produced by Director General command we will ensure that the proposals align, have been checked for dependencies and do not ‘double count’. This remains a work in progress with the final stages of activity being to assure the bids centrally, link the top-down and bottom-up processes and prioritise our investment bids. We have planned further challenge sessions on the back of this culminating in senior level sign off before submission to the Board.
19. It is important that our arguments in favour of our bid are as robust as possible and that we ensure that we have the ‘buy-in’ from our HM Treasury spend team. We are wholly reliant on the spend team as they will represent us with the central HM Treasury General Expenditure Policy Team who ultimately assess affordability and make recommendations to the Chief Secretary to the Treasury. We will assist our spend team



as much as we can by producing strong, realistic cost/benefit analyses. At SR15 our assessment of internal net present values was used as the basis for ranking and approving investment projects.

### ***Our Emerging Bid***

20. The bid follows the required HM Treasury structure, assuming a three-year planning frame with the 2020/21 position as the basis of a one-year bid.
21. HM Treasury has taken a firm stance on what they classify as the technical baseline. The starting point from which to begin the process and negotiations is the 'business as usual' budget for 2019/20 as established during SR15, which equates to £157 million. All further funding requests, including central approval of pension cost increases and pensions, will then be assessed on their merits.
22. For our SR19 baseline, we expect to increase this funding by circa £52 million at this stage. We have drawn a distinction between ongoing running costs that relate to new activity funded during SR15 (but outside the SR15 auspice), which totals £17 million in 2020/21; and genuine additional running cost pressures that have been exposed as we have developed as an organisation since November 2015, which total £35 million in 2020/21.
23. The investment bids we have received from the business total £132 million in 2020/21 rising to £162 million in 2022/23. These bids will be ranked and prioritised to form a realistic investment portfolio over the summer, using the categories within the business plan to ensure a balanced spread across the business. HM Treasury has indicated that investment options outside of cross cutting priorities, in our case the Data Bid and Analysis function bid, are likely to be limited, so we will ensure that we align our investment portfolio across these areas and the core to provide the broadest scope for further investment in the business.
24. In the context of these bids the priorities in each area are as follows:
  - i. Economic Statistics – further development in prices, labour market, local statistics, financial accounts, welfare and household surveys.
  - ii. Population and Public Policy (PPP) – preparations for the revised system of population and migration and population statistics post the 2021 Census and the development of greater analytical capability through the PPP Centres of Expertise. Development of social care, crime, health and justice statistics and analysis.
  - iii. Data Capability – further investment in our capacity to ingest, process and analyse data and our technical capability.
  - iv. Corporate Support – enhancements in our ability to support corporate capability and management, through our information systems, people and communications capability.
  - v. Office for Statistics Regulation - development of its remit, oversight and governance in the context of the recent PACAC report.
25. Whilst the Census Data Collection Transformation Programme (CDCTP) has formed part of the context of our emerging bid it does not fall within the scope of SR19 (and did not form part of SR15). We have recently received approval to proceed with CDCTP in July, following a recent HM Treasury Approvals Panel, which considerably reduces the risk in this area in future years. Whilst technically we will need to make a Supplementary and/or Main Estimate submission to draw down CDCTP funding, each year of the programme's life the Full Business case has been agreed.
26. Our SR19 bid includes provision for the development of the Census after the conclusion of the current CDCTP business case. Our current expectation is that these costs are likely to total 60 per cent of the current £906 million cost of the CDCTP programme –

with funding rising from £4 million in 2020/21 to £60 million in 2022/23 in the SR period - so providing a significant dividend for the public purse into the next decade.

### **Key Risks**

27. The SR19 exercise is fundamental to the ongoing ability of the organisation to meet its commitments and overall strategic plans. There is a risk, given the timelines for submission and potential duration of SR19, that our bid pre-supposes our strategy. To mitigate this we need to be clear in our narrative that the successor to Better Statistics Better Decisions will emerge after the conclusions of the SR, under current timeframes.
28. There is a risk that a one year SR does not give us scope to continue our change agenda as any investment budgets are likely to be minimal/significantly reduced. To mitigate this, we will seek to use the year (as a further SR would then be required in 2020) to further work through our strategy, deliver our core objectives and build support, and refine/prioritise our investment proposals.
29. There is a risk that our total additional running costs proposals are rejected in whole or in part. There is no full mitigation here but at least to mitigate in part - we will need to:
  - i. focus on prioritisation of not only investment bids but also our BAU deliveries;
  - ii. consider part of the business led running cost bid within the investment line e.g. IT transformation work or parallel running of legacy and new systems; and
  - iii. consider the classification of more activity as CDEL in nature – particularly in relation to ESA10 and our research-based activity. The Chancellor has indicated that there will be less constraint on capital budgets going forward, but that is probably only relevant in a multi-year SR. This potential mitigation itself carries the risk that our interpretation might be challenged by our external auditors – so we will need to agree our proposals in this area up front with the NAO.

### **Submissions to HM Treasury and Next Steps**

30. As stated above the process from here remains fluid and we have, as yet, to receive definitive dates from HM Treasury for submission of proposals. We have, however, responded initially to a request for a progress update and a view on our emerging position as set out in a letter from James Bowler to Sir David on 14 May. We have also fielded additional questions from the HM Treasury spend team on our response to seek to continue to build the narrative.
31. Further work will concentrate on refining the existing proposals and assessing the cost/benefit analyses of our investments and to shape the investment proposals in line with the strategic narrative for economic statistics, public policy statistics and investments in our capability.
32. The central FPP team and other corporate function colleagues will offer further challenge and review. Ultimately, we will then need to attain sign off for a final set of proposals by the Board prior to submission. We will keep the Board fully informed as we progress.

### **Conclusion**

33. The Board is invited to discuss and comment on the emerging SR19 bid and its constituent elements.

**Nick Bateson, Director of Finance, Planning and Performance,  
Rhys Thomas, Deputy Director, Finance  
23 July 2019**

# UK STATISTICS AUTHORITY

## *EU Exit Programme Update*

### **Purpose**

1. This paper updates the Board on activities to prepare the UK statistical system for EU Exit.

### **Recommendations**

2. Members of the Authority Board are invited to note:
  - i. ongoing progress in preparing the UK statistical system for EU exit; and
  - ii. work underway to refresh the EU Exit Programme to ensure it continues to reflect the evolving external environment.

### **Background**

3. The Authority's EU Exit Programme was initiated shortly after the results of the EU referendum. Its mission is to lead the statistical aspects of the UK's exit from the EU, leveraging opportunities to transform statistics consistent with our strategy, while mitigating the risks.
4. The Programme operates as a central co-ordinating function, working closely with colleagues from across the Authority, the ONS, and the wider Government Statistical Service (GSS) on the issues relevant to them.
5. In the most recent quarterly update on EU Exit to the Board, in March 2019, you heard that the Programme had been recently focused on no-deal:
  - i. a workshop had been held to take stock of all the work undertaken to prepare for the potential 'day one' impacts to the statistical system of a no-deal exit, spanning the economic and social statistics identified as most at-risk; and
  - ii. the legislation to prepare the system for no-deal had been assessed by parliamentary scrutiny committees who agreed it could proceed under negative procedures (i.e. it need not be debated in Parliament).
6. Since March, the UK Government has agreed an extension of the deadline for the UK's exit from the EU (initially to 31 April 2019, and subsequently to 31 October 2019). At the point the extension to October was agreed, much government planning for a no-deal exit was stood down.
7. The Programme has continued to progress work on all exit scenarios, while also taking the opportunity to reflect on its mission, objectives, risks, opportunities and priorities in the context of a changing external environment.

### **Discussion**

#### *Ongoing work to prepare for EU Exit*

8. In the period since March, all actions identified at the no-deal stocktake workshop have been completed.
9. The no-deal legislation smoothly passed through Parliament and will come into force should there be a no-deal exit.
10. The Programme delivered guidance to staff across the GSS, regarding engagement with the European Statistical System (ESS) during the extension period.

11. The two cross-government working groups (one for economic and trade data, the other for migration) that had been setup to prepare for no-deal have broadened their scope to also prepare for Phase 2 analysis needs.
12. A Phase 2 working group has been established to prepare for and manage the transition to engaging with the EU post-exit as a 'third country' – including negotiating a future relationship.

#### Programme Refresh

13. As is the case for all Board and Committees across the Authority, the EU Exit Programme Board recently conducted a review of its self-effectiveness. Given the changing external environment, Board members were asked to consider how the Programme might best prioritise its work in future. Broadly, the conclusions of that review, and an accompanying horizon scanning exercise, were as follows:
  - i. in addition to the deal and no-deal scenarios that the Programme had already been preparing for, the exercise identified two further plausible scenarios: further extensions, and no-exit;
  - i. while some of the Programme's workstreams were near complete (for instance, the no-deal legislation), others such as coordinating the GSS to support EU exit analysis, international recruitment, and Phase 2 negotiations could usefully be prioritised by the Programme going forwards;
  - ii. there was a need to ensure that statisticians across the GSS were plugged into Spending Review discussions, to ensure that the system could continue to operate given any exit scenario.
14. Members noted that while preparations for the UK's statistical exit from the EU had presented some challenges, they had also proven to be an excellent opportunity for statisticians across ONS and the GSS to demonstrate how responsive and helpful they can be in responding to emerging data needs. The programme would continue to focus on this opportunity over the coming months.

#### Next steps

15. The programme will continue to prepare for all exit scenarios, focusing on the areas in which Programme Board members have suggested more might be done.
16. The Programme anticipates that planning for a 'no-deal' exit will again intensify during the coming weeks and months. The programme will pick up on its previous no-deal planning work, and keep the Board appraised.

**Robert Bumpstead, Chief of Staff, 17 July 2019**