UK STATISTICS AUTHORITY

Minutes
Thursday 31 October 2019
Boardroom, London

Present
UK Statistics Authority
Sir David Norgrove (Chair)
Ms Sian Jones (Deputy Chair)
Mr Jonathan Athow
Ms Helen Boaden
Professor Sir Ian Diamond
Professor David Hand
Mr Ed Humpherson
Ms Nora Nanayakkara
Professor Sir Adrian Smith
Professor Anne Trefethen

Also in attendance
Mr Nick Bateson
Mr Iain Bell
Mr Owen Brace
Mr Grant Fitzner (for items 11 & 12)
Mr Mike Hardie (for item 12)
Ms Sarah Henry (for item 9)
Ms Vanessa Holden (Secretariat)
Ms Frankie Kay
Mr Will Laffan (for item 10)
Ms Nicola Tyson-Payne (for item 13)
Ms Sally-Ann Jones (Secretariat)

Apologies
Mr Robert Bumpstead
Professor Jonathan Haskel

1. Apologies

1.1 Apologies were received from Professor Haskel and Mr Robert Bumpstead.

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 26 September 2019, were agreed.

4. Report from the Authority Chair

4.1 The Chair reported on his discussion with non-executive members of the Board. Non-executive members of the Board had discussed statistical quality, development of the new strategy and the need for a Board away-day.

4.2 The Chair reported on his recent activity since the Board last met, noting:

   i.   the selection process for non-executive directors was live with a closing date of 20 December;
   ii. Sir David had met Mr Roger Taylor, Chair of the Centre of Data Ethics and Innovation to discuss data ethics;
   iii. Sir David had written to Sir Bernard Jenkin, providing an update on the Authority's progress implementing the recommendations of the Public Administration and Constitutional Affairs Committee (PACAC) report on the Governance of Statistics; and
   iv. Sir David had written to UK, Scottish and Welsh tourism Ministers regarding the Office for Statistics Regulation (OSR) compliance check of travel and tourism statistics.

4.3 Members discussed the work ongoing across government and academia on the use of data and the regulation of algorithms.

4.4 Following Parliament's decision to call a General Election on 12 December 2019, Sir David would write to the leaders of the political parties regarding the Authority's expectation for the responsible use of statistics during the campaign period. The Authority's function of highlighting misuse of statistics would be implemented in line with its interventions policy.

4.5 While formal guidance from the Cabinet Office had not yet been issued, preparations for the pre-election period had begun. In line with the Government Statistical Service (GSS) policy the statistical releases scheduled for publication on polling day would be rescheduled to the following day. During the pre-election period, the Authority's communications teams would monitor the use of statistics in public debate closely, responding nimbly as required. As in previous elections, analysts would be seconded to broadcasters including the BBC, ITV and C4, and to Full Fact.

4.6 The Board also discussed the recent errors in the Retail Price Index and Public Sector Finance (PSF). A strategic approach to ONS' legacy uplift had been agreed by the executive team in June 2019. Mr Humpherson noted that the production of PSF statistics would be an area of focus for OSR.

5. Report from the Chair of the Regulation Committee

5.1 Professor Trefethen reported on the work of the Regulation Committee, which had met on 17 October 2019. Committee members considered:

   i.   the Committee's response to the PACAC report on statistics;
   ii. an initial discussion on OSR locations which would be further discussed at the December meeting;
   iii. OSR's programme of work and success measures;
   iv. OSR's budget for 2020/21, in light of the Authority's recent Spending Review 2019 settlement;

v. the review of the National Statistics designation; and
vi. assurance activities including the assessment of the National Rail Passenger Survey.

5.2 The Committee had also discussed and agreed the revised Regulation Committee Terms of Reference to reflect its role in overseeing OSR's budget. The Board endorsed the revised terms of reference.

6. Report from the Chief Executive: New Chief Executive priorities [SA(19)47]

6.1 Professor Sir Ian Diamond provided the Board with his early impressions and overview of activity and issues for October.

6.2 Since his appointment Sir Ian had spent a significant amount of time talking to staff, Heads of Profession across the Government Statistical Service (GSS), Permanent Secretary colleagues, statisticians in the Devolved Administrations and stakeholders.

6.3 Following the Board meeting and event at the Senedd in September, the aim was to hold future Board meetings in other locations including Edinburgh and Belfast.

6.4 Sir Ian highlighted that the Authority continued to engage with representatives from the Devolved Nations in preparation for the 2021 Census.

6.5 The 2019 People Survey would close on 4 November. The analysis of the Authority's response would inform the development of all aspects of the People Strategy, from culture to careers.

6.6 The recent Data Landscape workshop led by Ms Frankie Kay and Mr Ed Humpherson had provided an opportunity for the Authority to share experiences regarding data access, data sharing and ownership. Board members noted the importance of the Authority's continued engagement with other organisations such as the Department for Digital, Culture, Media and Sport, the Information Commissioner's Office and the Artificial Intelligence Council regarding the data landscape.

7. Report from the Director General for Regulation [SA(19)48]

7.1 Mr Humpherson provided an update on regulation activity since the last Board meeting. The OSR Conference scheduled on 6 November would explore how best to respond to the challenges of data abundance, data gaps and misleadingness.

7.2 On Wednesday 30 October Mr Humpherson with Mr Darren Morgan and Mr Rob Kent-Smith had given evidence to the Treasury Select Committee to inform its inquiry, 'Regional imbalances in the UK'. Mr Humpherson noted the significant improvement made by ONS in this area.

7.3 Mr Humpherson had written to Mr Iain Bell following the compliance check on the UK's travel and tourism statistics. A number of improvements were needed to ensure compliance with the Code of Practice. Mr Bell confirmed that he was taking forward the recommendations.

8. Strategy [SA(19)49]

8.1 Ms Holden introduced a paper which explored options for the development of the next Authority Strategy. Over the previous 18 months Board members had: discussed progress against Better Statistics, Better Decisions; heard from leaders of other National Statistical Institutes about the changing external environment; as well as from members of the executive team about opportunities and risks to production and regulation over the period 2020 – 2025. Feedback from OSR's work on vision; information about the broader data landscape; and the Authority's response to the PACAC report on statistics had also informed the process.

8.2 Board members discussed the proposals for the development of the strategy, and considered the strategic questions set out in the paper. Members agreed that planning

for the next spending round would need to be considered alongside discussions on strategy.

8.3 Board members agreed to the development of a single overarching strategy for the statistical system, which clearly defines the roles and responsibilities of the system's constituent bodies. The overarching strategy would be underpinned by more detailed strategic delivery plans, setting out how the ONS and the OSR plan to deliver the statistical system's priorities over the period 2020-2025.

8.4 Board members discussed proposals for a period of internal consultation in late 2019, ahead of external engagement in early 2020. It was agreed that Board members would consider more detailed proposals at their next meeting, ahead of the staff consultation launching.

9. Data Acquisition [SA(19)50]
9.1 Ms Kay and Ms Henry introduced a paper which provided an update on data acquisition for statistics and research under the Digital Economy Act (DEA) 2017, following discussion at the meeting in September.

9.2 Ms Henry highlighted the successes and challenges of working with data suppliers to acquire non-survey data for statistics and research and outlined how lessons were learnt, including the transformation of ONS' Data as a Service Division which leads the work on data acquisition. A key factor in the successful acquisitions to date had been building and maintaining a strong relationship with data suppliers; and managing them in a flexible way.

9.3 Board members heard that data from DWP was expected that afternoon, while the anticipated date for delivery of HMRC data had been delayed to sometime between February and April 2020. A record level of Council Tax data from Local Authorities had been received which was a critical data supply for the Census 2021. With regard to the cost of data extraction it was noted that the policy for the cost of handling data extraction across government was yet to be determined. Progress would continue to be made in the delivery of data acquisition for researchers.

9.4 The Board thanked Ms Henry for her update on the successes and challenges of data acquisition to date. The Board would continue to monitor progress of data acquisition closely.

10. EU Exit update [SA(19)51]
10.1 Mr Laffan introduced a paper which provided an update on activities to prepare the UK statistical system for EU Exit. In the lead-up to 31 October, the EU Exit Programme had intensified preparations for a no-deal exit. In line with advice from central government no-deal preparations had now been paused, and the Programme would continue to prepare for all exit scenarios.

11. RPI Look Forward/Look Back [SA(19)52]
11.1 Mr Athow and Mr Fitzner introduced a paper which provided an update on recent RPI developments, and members considered next steps and the forthcoming consultation.

11.2 Board members discussed the options and format of the consultation fully. They endorsed plans to conduct a joint consultation with HM Treasury (HMT) on the implementation of the Authority's proposals but stressed that any document must be clear about the different roles of the Authority, as defined in statute, and HMT. The Board agreed to delegate the final sign-off of the consultation to the Chair and executives.

12. RPI Corrections Policy [SA(19)53]

12.1 Mr Fitzner and Mr Hardie introduced a paper which provided an overview of the current corrections policy for the RPI, compared that to the CPI/CPIH and set out the path for how that is likely to change in the future.

12.2 The current policy on corrections and revisions to RPI errors is that once the headline inflation figure is published, published data is not corrected or revised. This no-revision policy is a long-standing policy unique to the RPI.

12.3 Mr Hardie recommended that no change was made to the RPI corrections and revisions policy in the short term on the basis that the current approach provided certainty to the financial markets. The position should be reviewed after the methods for the CPIH are brought into the RPI.

12.4 Board members approved the advice from Mr Hardie.

13. Census Update [SA(19)54]

13.1 Mr Bell and Ms Tyson-Payne introduced a paper which provided an update on the Census Rehearsal; the preparations for the Census Coverage Survey (CCS) and the processing and Outputs Rehearsal in the spring. It also updated the Board on the legislative position, the judicial review and its obligations to Scotland.

13.2 Since the September Board meeting Parliament had passed the Census (Return Particulars and Removal of Penalties) Act 2019. Due to the General Election, plans for the introduction of secondary legislation had been delayed to the new year. This delay was not expected to introduce issues for the wider Census Programme.

13.3 The Census Rehearsal was progressing well, with 83 per cent of responses submitted online. The field force was being used to drive up response rates and the key lessons learned were being reviewed. There were a number of issues regarding the recruitment of field force staff which was lower than expected. Feedback from field officers would also inform lessons learned.

13.4 Mr Bell noted that work was ongoing to realign the risk assessment of the programme. Plans were in place to test the scoping of systems and system integration.

13.5 Board members thanked Mr Bell, Ms Tyson-Payne and Ms Kay for their work on the Census rehearsal. A number of non-executive board members would be joining members of the Census field force in the coming weeks.

14. Any other business

14.1 There was no other business.

14.2 The Authority Board would meet next on Monday 25 November 2019 at 09:15 in London.

UK STATISTICS AUTHORITY

Agenda

31 October 2019, 09:15 to 13:45, Boardroom, London

Chair: **Sir David Norgrove**
Apologies: **Prof. Jonathan Haskel**

Attendees: **Mr Grant Fitzner (for items 9 and 10), Mr Mike Hardie (for item 10), Ms Sarah Henry (for item 7), Mr Will Laffan (for item 8), Ms Nicola Tyson-Payne (for item 11)**

09:15 – 09:45: Non-Executive Session

1 09:45-09:50 5 mins	Minutes and matters arising from previous meetings • Declarations of interest	Meeting of 26 Sept 2019
2 09:50-10:10 20 mins	Report from the Authority Chair	Oral report Sir David Norgrove
3 10:10-10:15 5 mins	Report from Committee Chair • Regulation Committee	Oral report Prof. Anne Trefethen
4 10:15-10:45 30 mins	Report from the Chief Executive	SA(19)47 Prof. Sir Ian Diamond
5 10:45-11:05 20 mins	Report from the Director-General for Regulation	SA(19)48 Mr Ed Humpherson
6 11:05-11:35 30 mins	Strategy	SA(19)49 Ms Vanessa Holden
7 11:35-11:55 20 mins	Data acquisition	SA(19)50 Ms Frankie Kay Ms Sarah Henry
11:55-12:30: Lunch		
8 12:30-12:45 15 mins	EU-Exit update	SA(19)51 Mr Will Laffan
9 12:45-13:05 20 mins	RPI Look Forward / Look Back	SA(19)52 Mr Jonathan Athow Mr Grant Fitzner
10 13:05-13:15 10 mins	RPI Corrections Policy	SA(19)53 Mr Grant Fitzner Mr Mike Hardie
11 13:15-13:40 25 mins	Census update	SA(19)54 Mr Iain Bell Ms Nicola Tyson-Payne
12 13:40-13:45 5 mins	Any other business	

Next meeting: 30 November 2019, London, 09:15 to 14:00

SA(19)47

Chief Executive's Report, October 2019

Purpose

1. This report provides the Board with my early impressions and overview of activity and issues for October.

Summary

2. As I take up my position, I want to start by listening and have spent the time since the announcement of my appointment doing so. I have met large numbers of staff at all levels, in big groups, in teams and individually. I have joined meetings of GSS Heads of Profession and ONS Deputy Directors and been to speak with statisticians in Scotland, Wales and England with a trip to Northern Ireland planned in the New Year. I finish this set of meetings enthused, impressed and inspired by the professional and dedicated people that make up the GSS.

3. I have also sought to spend time during the last few weeks hearing what our customers want from us. I have met Permanent Secretary colleagues, politicians, partners in sister analytical organisations, journalists and many more. What we do matters to them.

4. What I am hearing is strongly consistent with what I heard from each Statistics Authority Board member ahead of my first day in the office.

5. On the up side, there is a strong will for us to succeed both inside and outside. Across the GSS there are many examples of excellence. We have committed staff who deliver an enormous amount of high-quality work often in highly demanding circumstances. There is an eagerness to learn and improve.

6. At the same time, I have heard many voices expressing concern about the risks we face. We need to have a programme of development to match our ambition. Governance can be seen as a blocker rather than a way for good decisions to be taken. Decisions can be escalated for fear of making a mistake. There is still a way to go before we can really say we are customer focused. Statisticians across government are in high demand but are not always well placed to make an impact at the strategic level in departments.

7. There are also too many silos, within ONS, between ONS and the GSS, between statisticians and others in the analytical community. We must have confidence to step up and provide analysis and advice to the best of our collective abilities.

8. I am excited to be able to lead the statistical system in this next stage of its development. There will be many challenges and, I hope, successes ahead. I look forward to the support of the Board and will report progress at our next meeting on 25 November.

Review of recent activities

9. Important developments in recent weeks include the following:

    i. Blue Book 2019 will deliver a significant volume of changes to the measurement of the UK's National Accounts system via new data, methods and systems. We published the Quarterly National Accounts in September in line with these changes, and they will be evident in Blue Book 2019 itself when it is published at the end of October. We have developed and implemented more than 50 new systems, as well as new methods and data sources to give an unparalleled understanding of business activity in the UK. We also published quarterly regional GDP for the English regions and Wales for the first time in September, using nearly two million VAT returns to produce the estimates nearly 18 months quicker than was previously available.

ii. The 2019 GSS Conference 2019 took place in Edinburgh, the first time it has been held outside of England. The conference, titled "Our Statistics, Today's Issues", focussed on government data informing public debate and shaping policy through evidence-based decision making. 400 delegates from across the GSS attended to network, hear from speakers and learn and promote the work of the GSS. It also included the first annual GSS awards were held at the conference, recognising and celebrating the excellent work being done across the GSS in the themes of Collaboration, Methods, Communication, and Impact.

iii. The fourth Public Policy Analysis quarterly review was published on 16 October, covering a range of topics from new analysis of the ethnicity pay gap to estimates of the very old and from our consultation on human capital to our analysis of healthcare spending. The review helps our users gain an oversight of our regular outputs; ad hoc analysis on the major issues facing society; and the evidence gaps we are filling across public policy in one place, while providing them the opportunity to delve deeper into areas of interest. Having run the quarterly review for a year, we have received positive feedback from inside and outside Government on the benefit of bringing our statistics and analysis together in summary form. To mark the fourth edition, we published a blog alongside the quarterly review reflecting on our achievements over the last year.

iv. Earlier this month we held our third Data Landscape Workshop. This provided an opportunity for us to share our experiences engaging with the public around data access, sharing and ownership. We explored best practice, challenges and successes in improving patient interaction with NHS and improving people's interactions with government services. We finished with a discussion exploring how people feel about data about them, and how we can best discuss data in a way that everyone can understand and engage with. This workshop built on our previous workshops where we discussed the different remits, approaches and responsibilities we have in the emerging data landscape and considered how aligned we are when it comes to collective ownership, data access and ethics. We hope to hold a further workshop in December or January discussing big data sets.

v. We held our first Data Capability conference on 17 October, which explored how public trust and confidence in statistics can be maintained. At the conference we presented the ONS Research Excellence Awards. This was a chance to celebrate how people use research data to deliver outstanding public benefit.

vi. This month we held a Population and Public Policy Forum, attended by over 200 people, which focussed on the Sustainable Development Goals (SDGs). The event discussed the Social Impact of Climate Change, using the diverse SDG indicators to understand the impacts of rising temperatures on society. The event included two expert panel discussions which discussed both the situation in the UK and how people are affected internationally. Using climate change as a focus, we demonstrated how, through new uses of ONS environment data and innovative data solutions, we are working to increase our reporting of the SDGs and our commitment to disaggregate where possible to identify those being left behind.

vii. As part of the crime statistics quarterly bulletin on 17 October, we are consulting with users around the potential of a shorter more focused release that communicates the key messages more effectively. The prototype of the new bulletin has been developed in conjunction with a number of our key stakeholders and users. In discussions, they were supportive of shorter more focused releases, but were that keen that we did not lose the important context that helps interpret the results.

viii. In September we published a suite of work to improve the coherence of homelessness statistics across the UK; a culmination of effort from analysts across the UK. Our two new analytical articles and an interactive tool will help ensure decision makers have the right evidence about some of the most vulnerable members of society. This work also set out upcoming GSS initiatives to continue to improve the evidence base, including how the homeless will be able to complete the

2021 Census. This aspect was particularly well received by Members of Parliament scrutinising the Census Bill.

Future look

10. In the coming months, building on discussions with the Authority Board and senior executives, and working in partnership with Ed, we will start gathering ideas for the next UK Statistics Authority strategy from across the statistical system.

Professor Sir Ian Diamond, 24 October 2019

Update from the Director General for Regulation

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

Discussion
2. Key activities since the last Board meeting include:

i. **PACAC report:** The Committee has now published our response as part of the overall Authority response to the Committee's report. Stakeholder reaction has been muted, although both the Royal Statistical Society (RSS) and the Statistics User Forum have privately said they welcome the ambition in our response.

ii. **OSR vision:** We have received comments from a range of stakeholders, including the RSS, the Statistics User Forum statisticians in the GSS, and journalists familiar with our work. Broadly speaking stakeholders have welcomed the vision, while raising a number of points including:

- whether we are as ambitious as we have been in the PACAC response;
- whether we say enough about how the appropriate use statistics of statistics depends crucially on the context in which they are used;
- whether we distinguish official statistics from the broader landscape of data sufficiently; and
- whether we are clear enough on what we mean by the public good and whether the overall document is accessible enough.

iii. **HM Revenue and Customs (HMRC):** We have now started the independent review of HMRC's statistical function. We will update the Regulation Committee as the work progresses.

iv. **Census:** We published our Census assessments at the end of September. Producers (ONS, NISRA, and National Records Scotland) welcomed the findings.

v. **Joining up data:** We published a one-year update on our data linkage report. Somewhat to our surprise it generated more interest from producers (HMRC, Welsh Government, ONS) than the original report had done, perhaps because it highlighted the need for more progress on linking key datasets.

vi. **National Statistics:** We have held a series of discussions/round tables on the National Statistics designation. These discussions indicated that there is scope for greater clarity on what the designation means and how both we and producers should communicate it. We are now developing proposals for immediate improvements in how the designation is communicated, together with a longer-range focus on how to develop the concept of the designation.

vii. **National Rail Passenger Survey:** We are finalising our assessment of the National Rail Passenger Survey. We have identified a number of concerns with its coverage, quality and use, and aim to publish our findings ahead of a major policy review of the rail industry (the Williams review).

viii. **Data landscape:** I co-hosted the third data landscape workshop, focused on experience of public engagement. This was the most practical of the workshops and should produce a useful compendium of examples of public engagement.

ix. **External engagements:** I spoke at the GSS conference in Edinburgh; at the Westminster Higher Education Forum on evidence-based policy making; at events on

statistics at the Universities of Bath and Edinburgh; at the GSS Data Linkage Symposium; and gave a short talk at the Centre for Science and Policy's 10 year anniversary.

3. The main challenge surrounds implementing the PACAC report's recommendations and determining a way forward on location and resources, including the role that the Authority as regulator can play on AI and machine learning.

Ed Humpherson, Director General for Regulation, 22 October 2019

List of Annexes

Annex A   Regulatory Activities Dashboard

Economy	Business, Trade and International Development	Children, Education and skills	Housing, Planning and Local Services	Crime and Security
Compliance Checks: Completed checks on - ONS's Capital Stocks statistics; - Communication of Blue Book Developments in 2019; - Business Enterprise Research & Development Statistics; - International Development statistics and - ONS's Business Demography statistics have been completed. **Assessment:** HM Treasury submitted its actions following our Assessment of its Public Expenditure: Country and Regional Analysis statistics. The requirements are not yet fully met; we are engaging with HM Treasury about this. **Parliamentary Affairs**: Submission to Treasury Select Committee inquiry into Regional Imbalances; letter to House of Commons International Trade Committee about Foreign Direct Investment statistics; written to Lord Dunlop's Review of UK Government Union Capability with a view of discussing the importance of statistics **Public Finance statistics reviews:** DGR has written recommending that the Chief Statisticians in the UK's devolved countries, together with ONS, the OBR and HM Treasury, adopt a multi-agency approach to improve statistics and data on the public finances of the UK countries and regions; **HMRC:** We have agreed to do an independent review of HMRC's statistical function, with a focus on quality.	**Casework**: *Education funding*: Published responses to various concerns about future school funding figures and the Government's statement that it has increased funding by £14bil *Teaching Excellence Framework*: Currently assessing the Independent Review's initial findings and awaiting the final report publication. DfE data sharing; response to Defend Digital Me's latest concerns has been published. Children's commissioner, investigating concerns into the qualification statistics **Compliance Checks**: - Scottish School Leaver Attainment and Initial Destinations Statistics - Further Education and Skills in England **Skills Review**: Stakeholder engagement focused on Scotland, Wales and Northern Ireland will complete in early Oct.	**Housing reviews:** Range of recent outputs from the cross-govt Housing Group in response to the Housing Systemic review are: ONS National Statistical blog on the release of the 'Across UK Homelessness Analysis' article and the GSS Harmonisation work on the homelessness conceptual framework. Forthcoming work on affordable housing. **Compliance Checks**: - Scottish Government's Housing - Statistics Quarterly Update and Housing - Statistics Annual Key Trends; **Casework:** Reviewing MHCLG's evaluation of Rough Sleeping Initiative and implications for rough sleeping statistics.	**Systemic Reviews**: Use of Statistics in Public Discourse report has been redrafted after feedback from the July Regulation Committee, with the aim of publishing after Committee meets in October **Compliance Check**: Starting 3 CCs in October: - HO statistics (Police Powers and Procedures Statistics and Police Workforce Statistics) - SG statistics (Recorded Crime Statistics). **Assessments**: Assessment of Northern Ireland Motoring Offences statistics underway.
Labour Market and Welfare	Population and Society	Health and Social Care	Agriculture, Energy and Environment	Travel, transport and tourism
Compliance Checks: - Civil Service statistics. **Assessment**: User engagement well underway for ONS Labour Market Statistics, we have held Round Table events in London, Wales, Scotland, and we are planning one for Northern Ireland.	**Assessment**: Census assessment report updated following comments from producer bodies, and Regulation Committee. Report published on 4 October with copies forwarded to relevant parliamentary committees. **Casework:** Correspondence between Ed Humpherson and Ben Humberstone on ONS's developments to the Baby Names in England and Wales release published 3 October.	**Casework:** DHSC have responded to our request for clarity on the 1.8bil new funding and published a summary of the sources of the funding. **Systemic Reviews**: Stakeholder engagement for the Mental Health Review is underway. Social Care Review: reports covering Scotland, England and UK for publication in the autumn; Round Table in London on 28 October. **Published**: A submission to the Scottish Parliament Health and Sport Committee's Inquiry into the Future of Primary Care outlining gaps in the current statistics.	**Assessment**: Published report on statistics on Air Quality and Emissions of Air Pollutants; initiating assessment of Scottish Waste Statistics. **Systemic Review**: Selected sets of statistics for Defra Group user engagement systemic review and workshops with statistics teams to be held on 16 and 24 October **Compliance Check**: - Natural England's Monitor of Engagement with the Natural Environment statistics.	**Assessment**: Finalising report for Transport Focus' National Rail Passenger Survey. **Compliance Checks**: Continuing check of ORR's rail statistics (9 publications) - quality assurance and producer follow-up meetings in October, started Compliance Check of Overseas Travel and Tourism statistics, following letter from UK, Welsh and Scottish tourism ministers.

UK STATISTICS AUTHORITY

Developing a new strategy for the UK's statistical system

Purpose
1. Building on previous Board discussions, this paper explores options for the development of the next Authority strategy.

Recommendations
2. Members of the Board are invited to:

    i. endorse plans to develop a single, overarching strategy for the UK's statistical system for the period 2020-2025, to be supported by separate strategic delivery plans;

    ii. discuss questions of content, as raised in previous Board discussions (set out at paragraphs 13 to 21); and

    iii. consider options and timelines for the development and communication of the next Authority strategy (at paragraphs 22 through 28).

Background
3. The Authority's current strategy, *Better Statistics, Better Decisions*, was the first combined strategy for the UK's statistical system. Launched in 2015, it will end at the end of March 2020.

4. Over the last eighteen months, Board members have held several discussions on future strategy. In July 2018, members considered progress against *Better Statistics, Better Decisions*, noting that while great strides had been taken in respect of economic data, data capability and population and public policy, more work remained to do on work-force transformation, data access, and realising the dividends of changes made to population statistics. On 27 September, 1 November and 29 November 2018, Board members also heard from leaders of other National Statistical Institutes about the changing external environment, as well as from members of the executive team about opportunities for and risks to production and regulation over the period 2020 to 2025. During discussion in December 2018, members agreed to continue to develop their strategy following the appointment of a new National Statistician.

5. This paper brings together these discussions, alongside the work on strategy that has continued in the period since, including:

    i. feedback garnered via the Office for Statistics Regulation's work on vision;

    ii. information about the broader data landscape, collected in a series of workshops hosted by the Authority; and

    iii. commitments made by the Authority in response to the recommendations made by the Public Administration and Constitutional Affairs Committee (PACAC).

6. In doing so, the paper explores and invites comment on: the sort of strategy we are seeking to produce; where we might position ourselves over the period 2020-2025; and, next steps in developing and communicating the Authority's next strategy.

Discussion

What are we seeking to produce?

7. The UK Statistics Authority is assigned a range of system-wide responsibilities for official statistics and research in statute.[1] Any Authority strategy will need to reflect these system-wide responsibilities.

8. In previous discussions, Board members have noted the need to balance the realities of the Authority's system-wide remit, with the challenges posed by its dual roles.

9. **To achieve this balance, it is recommended that the next Authority strategy:**

    i.   **help staff and stakeholders understand how different parts of the statistical system fit together (the 'framework' recommended by PACAC);**
    ii. **set overarching priorities for the system, which reflect our UK-wide duties in statute, and our accountabilities to the UK Parliament, the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly, and internationally; and**
    iii. **be supported by separate strategic delivery plans, detailing how the Authority's regulatory and production arms will pursue the system's overarching priorities.**

10. The Board holds direct responsibility for both ONS and the OSR, and operationalising its strategy within these executive arms should be straightforward.

11. We do not have the same direct 'levers' into the GSS. On the regulatory side, the OSR uses the Code of Practice to promote and drive up common standards across government, while ONS has increasingly used its convening power to bring together the GSS to address issues of coherence.

12. The recent PACAC report recommended that we bolster the governance of the wider statistical system. Seeking to establish underlying operational plans across the Government Statistical Service (or beyond, into the Analysis Function) would help us to broaden the impact of any new strategy, and would represent an increased ambition for the Authority. **Board members may wish to consider the appetite and modes for operationalising the strategy beyond the Authority's executive arms.**

Where will we position ourselves, over the period 2020-2025?

13. As set out above, any Authority strategy will need to reflect its statutory duties. The following sections of this paper summarise our key statutory duties and invite discussion on how we might seek to deliver these over the period 2020-2025. As Board members have discussed previously, while our statutory duties provide a helpful starting point in considering the Authority's role, they need not be considered limiting.

> *"The Board is to have the objective of promoting and safeguarding the production and publication of official statistics that serve the public good" (SRSA)*

14. In previous discussions, Board members have suggested there would be value in using our next strategy to explicitly expand our mission beyond the production of 'official statistics', while perhaps stopping short of taking on responsibility for 'all data.' This would reflect the powers granted to us under the *Digital Economy Act* (see para 19), as well as the general 'blurring' of the line between data and statistics we witness.

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[1] These responsibilities, established within the *Statistics and Research Service Act 2007* and the *Digital Economy Act 2017*, are detailed in paragraphs 13 through 21.

15. The Authority is already operating beyond official statistics to some extent. ONS's Data Science Campus, for example, has expanded the range of analysis we undertake and publish. And the OSR does not confine its interventions to cases involving official statistics, but comments on the way financial and management data are used publicly. The OSR has also encouraged Departments to adopt the Code on a voluntary basis for publications based on management information rather than official statistics.

16. **Board members may wish to discuss:**
    i. **the appetite for explicitly expanding our strategy beyond official statistics**
    ii. **the balance in emphasis between official statistics, analysis and data; and**
    iii. **our role in the broader data landscape.**

"The Board is accordingly, in the exercise of its functions, to promote and safeguard—
(a) the quality of official statistics,
(b) good practice in relation to official statistics, and
(c) the comprehensiveness of official statistics." (SRSA)

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17. Previous Board discussions have noted the potential to achieve more with regard to the comprehensiveness of official statistics. They have also described the activities of the statistical system in slightly different terms than those used in the Act:

    i. the continued production and dissemination of ever-improving statistics – i.e. statistics which are available more quickly, at flexible geographies, in accessible ways, and which are more relevant to decision-makers;
    ii. empowering actors both inside and outside the statistical system to use linked-data to answer new questions;
    iii. working with others to promote the good use of data; and
    iv. ensuring that we have the trust we need, to do each of these things.

18. **Board members may wish to consider the degree to which these activities capture all that we should be doing over the period 2020-2025, and how different parts of the statistical system might contribute in each case.**

19. Since the Board launched *Better Statistics, Better Decisions*, the passage of the *Digital Economy Act 2017* has broadened our powers, in three broad areas.

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   i. *providing the Authority with greater and easier access to data held within the public and private sectors, to support the Authority's statutory powers;*
   ii. *facilitating access to de-identified data for accredited research purposes; and*
   iii. *reaffirming obligations on the Authority with regards to confidentiality, transparency, ethics and the law, public interest, proportionality, and collaboration.*

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20. In previous discussions, members have talked about the need to 'consolidate' the powers granted to us under the *Digital Economy Act* over the course of the next strategy, rather than seeking any additional legislative change.

21. As we consider how best to represent the opportunities afforded by the *Digital Economy Act* within the next strategy, members may wish to consider in particular:

    i. **the role of the Authority and its constituent organisations with regards to data ethics;**

How will we develop and communicate the next strategy?

22. The Authority's last strategy was developed largely by the Board and its senior executive team.

23. As Board members will be aware, it was pitched at many audiences. It attempted to communicate the mission of the statistical system to our varied workforce, and to inspire staff to unite behind a set of common priorities. It simultaneously sought the support of Parliament and colleagues across the Civil Service for what we saw as our growing role in bringing together different sources of data and improving the UK's evidence base.

24. The information we have available to us on staff engagement with the strategy reveals that we have not been entirely successful in engaging our workforce with our current strategy. This likely reflects the fact that different teams – our regulators, interviewers, economists, digital journalists – perform very different roles and often seek very different things from their work and from an organisational strategy. It also likely reflects the fact that no tailored plan of communications was ever launched alongside the *Better Statistics, Better Decisions* strategy.

25. It is unlikely that a single document will ever be able to speak to all of our audiences, and rather than seeking to make our new strategy do so, Board members may instead wish to consider how best to use accompanying communications to translate our strategy for different audiences.

26. **Ahead of the launch of a new strategy by April 2020, it is recommended that the Authority consult with staff across the Authority, ONS, OSR and the**. We would use this consultation not just to ask staff a series of open questions on the future of the statistical system, but also to engage them – from the very beginning – in the creation of the priorities we will be asking them to deliver. Drawing from this Board discussion, we envision that staff would be asked a range of questions relating to:

    i.   who staff believe the statistical system should serve;
    ii. what we should be working on in an age of mass data (is there a role for us beyond official statistics);
    iii. how the organisation needs to adapt over the coming five years; and
    iv. what staff want from their workplace/career.

27. **Following a consultation with staff across the statistical system, we recommend that the Board also engage with external stakeholders.** To some extent, this work has already begun. The OSR's work on vision is helping us to understand what our stakeholders want from us from a regulatory perspective, the ongoing data landscape workshops are helping us to gauge who we might partner with in promoting the good use of data, and bilateral conversations with individuals across Government are helping us to understand where we have support for expanding our mission. Reflecting the outcomes of any discussion today, we will prepare a draft external engagement plan, identifying the audiences we need to engage with and plans to reach those audiences.

28. **In terms of timing, it is recommended that the Board receive a draft strategy in late February, with a view to launching its final strategy ahead of April 2020** (the beginning of the next financial year)**.** Between now and then, the Board will receive regular papers on strategy, seeking steers on content and communications plans as the document iterates.

29. Board members may also wish to note that as the Board develop their strategy, the Secretariat will liaise closely with colleagues in the OSR and ONS business planning teams, to ensure plans for 2020/2021 are aligned with our emerging strategic priorities.

Conclusion

30. This paper has sought the Board's agreement to the type of strategy it will develop, and the process for developing that strategy. It invited discussion on key points of content which will be developed over coming months and brought back to the Board, alongside fuller plans on communications.

Vanessa Holden, Central Policy Secretariat, 22 October 2019

UK STATISTICS AUTHORITY

Update on Data Acquisition

Purpose

1. This paper provides an update on data acquisition for statistics and research under the Digital Economy Act (DEA) following the discussion at the meeting in September.

Recommendations

2. The Board is invited to comment and note:

    i.   the progress made to date and plans for the near future; and
    ii. the challenges and risks associated with data acquisition.

Background

3. At the Authority Board meeting in April 2019, members discussed the successes and challenges in data acquisition for statistical production and research under the Digital Economy Act 2017. In June 2019, the Board agreed with advice from the then National Statistician, that encrypted data be sought from HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP), with special arrangements in place for records that were challenging to match. At its September meeting, Board members heard that ONS continued to work towards receiving data from DWP and HMRC. They agreed to consider a fuller update on data acquisition at their October meeting.

4. This paper provides an update on the successes and challenges of working with data suppliers to acquire non-survey data for statistics and research and outlines how lessons were learnt over the last few years including transforming the Data as a Service (DaaS) Division that leads this work.

Discussion

Data acquisition for statistics

5. Since April 2019, DaaS has acquired, ingested and enabled access to 14 new data sets. The Division currently manages 85 'business as usual' ongoing supplies and supports the Census rehearsal operations, with daily data ingests and weekly data exports.

6. There have been a number of successes in data acquisition since April 2019, including:

    i.   serving the first notices requiring NHS-Digital to share Adult Improving Access to Psychological Therapies programme (IAPT) data, Hospital Episode Statistics (HES) and Birth Notifications;
    ii. full supply of HMRC Self-Assessment data which is a critical component of measuring total household income for use in the Census and other statistical outputs, and for signs of activity to improve population and migration statistics; and
    iii. record level Council Tax data from 97 Local Authorities. A further 75 have agreed to share data. This forms a critical data supply for Census 2021 due to its unique nationwide coverage and granularity.

7. Acquired data is contributing to improvements across the systems. Examples include:

    i.   data on exit checks from the Home Office is used to bolster the quality of migration statistics, allowing release of experimental statistics in August;
    ii. data from Equifax and Thomson Reuters is used in the forthcoming (November) experimental financial statistics; and
    iii. data from HMRC Self Assessment records is used to improve the quality of estimates of the self-employed.

8. The next six months will see:

   i. encrypted data from DWP contributing to the demographic index which will allow compilation of administrative based population estimates. These data will enable ONS to increase disaggregation of migration and population statistics;
   ii. data from HMRC on EC Sales and "VAT MOSS" (Mini One Stop Shop) will be used to improve trade statistics; and
   iii. encrypted data from HMRC on Pay As You Earn (PAYE) is expected to enable faster production of labour market statistics, faster economic indicators and better analyses of the drivers of productivity and wages.

9. In April 2019 the Board heard that data suppliers were grappling with the best way to comply with ONS requests for data. The landscape is increasingly complex with GDPR and concerns over national security seemingly competing with the equally important requirement to share data for public benefit. Challenges include:

   i. negotiations to secure agreement to share, and the associated work to put in place the legal and other arrangements can be protracted and complex, including with willing partners;
   ii. the cost to organisations of extracting and providing data can be high. ONS has paid the cost of data extraction in some cases and costs in 2019 / 20 are expected to be high, possibly around £2million; and
   iii. data suppliers, concerned about the risks of sharing data with ONS, are frequently seeking assurance from agencies such as National Cyber Security Centre (NCSC) and the Information Commissioners' Office (ICO). These agencies do not see their role as making decisions for the data supplier. Instead, they see their role as providing helpful advice to assist in mitigating risks. These are not weighed against the risk of not sharing data and are not bound by ONS' timescales. While helpful, they lead to delays.

10. Continuous reflection has led to steps to mitigate the challenges, including:

   i. "Lessons learned sessions", both within ONS and with key data suppliers: the outcomes of early sessions have shaped the transformation plans for DaaS, as explained below;
   ii. work with HMRC and DWP to receive encrypted, linkable data;
   iii. strategic finance discussions between HMRC and ONS finance colleagues, to determine how costs can be estimated, managed and covered;
   iv. adaptation of the approach to setting data requirements, working much more collaboratively; for example, by seconding staff to the Home Office; and
   v. submission of an application for council tax acquisition to be published on the Local Government Association's Single Data List, which will encourage the majority of Local Authorities in England to supply data.

11. Challenges remain in data acquisition. In particular:

   i. hashing or encrypting data lead to additional steps for data suppliers and for ONS, leading to further delays in data sharing;
   ii. data suppliers are increasingly more challenging about linkage requirements, recognising that individually their deidentified data may not suffer a significant reidentification risk but once linked, the risk increases. Efforts to address these concerns have changed how data is stored, linked and accessed; and
   iii. ONS continues to compete with data suppliers' internal priorities, including Brexit.

Data acquisition for researchers

12. ONS is part of the Administrative Data Research – UK partnership (ADR UK), a UKRI investment to significantly increase secure use of de-identified Government data, for research that serves the public good.

13. One of the activities ONS are funded for, within this investment, is to source data for use in research projects across the UK, carried out in four ways:

   i. where ONS acquire data for use in the production of statistics, seeking permission to make de-identified extracts of some of these sources available for research;
   ii. proactively engaging with Departments to identify data that they are keen to see used for research, and providing a service to help them achieve this using our established processes and systems;
   iii. working with other ADR UK partners to identify Government data of strategic research interest that could answer a range of research questions aligned to government priorities, and then negotiating for access to these; and
   iv. identifying ONS-controlled data that could be used more widely for research if made available through other accredited Data Processors (for example by enabling linkage between ONS social survey data and health data, available for linkage in devolved administrations).

14. This approach has led to a range of new data being available to researchers, new linked datasets being proposed and created, and agreement for various ONS data to be made available through other Data Processors, including:

   i. the Secure Research Service being the default route for research access to all Department for Education data;
   ii. National Energy Efficiency Data being available for the first time;
   iii. "Understanding Childhood" linked dataset created (2011 Census linked to National Pupil Database);
   iv. agreement with Ministry of Housing, Communities and Local Government that their proposed collation of data on Homelessness will be made available for research;
   v. agreement to transfer 2011 Census data for Wales to ADR-Wales, for research use (including linkage to other data sources held); and
   vi. positive negotiations in progress with DWP, HMRC and the Ministry of Justice for other sources of interest relating to specific research projects.

Lessons learned

15. There are a number of lessons and routes through which ONS continuously learns:

   i. Internal Audit –a number of internal audits have provided opportunities for reflection especially in relation to the organisation's mechanism and processes. For example, coordinating acquisition via DaaS is important to success.
   ii. Working with data suppliers to learn what is important to them and how to navigate their decision-making process. For example, Vodafone valued the opportunity to be 'corporately responsible' through their work with ONS and the NHS requires their decision to be evidenced so found a notice helpful. They also value efforts in relation to ethics and the insight gained from better statistics (for example in relation to suicides).
   iii. There are opportunities that present themselves as part of the work and it is important to flexibly adapt. For example, the opportunity to add to the 'Local Government Association's Single Data List'.
   iv. Team efforts across the office and working collaboratively with suppliers: for example, working together with the Home Office to understand their data by seconding ONS staff who support the HO at the same time.
   v. Some departments were concerned that ONS will compete with them or expose issues. Softer engagement led to different approaches, learning the culture and building relationships.
   vi. Adjusting the tactical approach to working with suppliers by compromising and asking for data they can provide more easily.

vii.   The office has not strategically paused to reflect and re-plan as the evidence on what it takes to acquire data and prepare it for use was built. There are now opportunities to carry out this exercise as part of the preparation for the next strategy.

viii.   Ensuring the right skills across the office: these include technical as well as leadership and influencing skills.

ix.   Sequencing of acquisition – for example, acquiring data for statistical purposes simplifies the negotiation with data suppliers when there is an opportunity to reuse data for research.

DaaS and Future Steps

16. Data as a Service (DaaS) was established to lead and co-ordinate ONS data acquisition activity. DaaS was not working effectively, and steps were taken to review and restructure the Division.

17. That restructure is now complete with a new leadership team in place. This includes new roles, with an emphasis on professionalising acquisition, negotiation and data handling and new, flexible ways of working to ensure that high priority acquisitions are adequately resourced. The new roles will bring stronger data and analytical knowledge, with a clearer focus on high quality customer service.

18. The process also reviewed existing members of DaaS staff against the new roles, confirming some staff in post and formally declaring others surplus. As a result, over half of the posts in DaaS are currently vacant.

19. The leadership team anticipated such an outcome and planned accordingly. As a result, the highest priority work is being delivered as planned. For example, HMRC, DWP and Council tax acquisition work is unaffected by the vacancy position, there is no ingestion backlog and DaaS is meeting commitments for the Census rehearsal. However, other work has slowed down in the short term. Plans are discussed with business areas affected to manage expectations and to consider support from across the office. It will be a little while before the team is at full capacity and the leadership team is managing the risks to commitments very carefully.

20. In parallel, DaaS is pressing ahead with activities to maintain and build capacity, capability and morale, including recruitment, a targeted learning plan and team building.

21. A key factor in the successful acquisitions has been building a strong relationship with the data supplier, focusing on gaining insight, co-production and 'consultancy' where it is helpful. building and maintaining those relationships in a flexible way will be critical to success.

22. Whilst progress has been made and momentum will continue to build with the imminent arrival of DWP data, it is clear that the original timescales for data acquisition were overly optimistic. With the development of the new strategy, supporting business plan and end to end reporting as part of the Data Capability Programme, it is important that ambitious but realistic timescales for data acquisition are incorporated.

Conclusion

23. Data Acquisition is fundamental to ONS' delivery of Better Statistics, Better Decisions (and future strategies) and for the commitment to support the research community through ADR-UK. The process has proved to be more complex than expected in 2015 but recent successes, a growth mindset, support from the National Statisticians with colleagues from across the Civil Service and Academia as well as an internal concerted effort have placed the office in a stronger position. We continue to develop our strategic approach to data acquisition, continuously learning from success and challenge.

Sarah Henry, MDR, 24 October 2019

UK STATISTICS AUTHORITY

SA(19)51

EU Exit Programme Update

Purpose

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

Timing

2. At the time of writing the Government continues to press ahead with the UK's scheduled withdrawal from the EU on 31 October 2019, although an extension has been sought. Updates on the latest developments will be provided at the Authority Board meeting.

Recommendations

3. Members of the Authority Board are invited to:

    i.   note the preparations made to support the UK statistical system, ahead of a potential no-deal exit from the EU; and
    ii. note the EU Exit Programme continues to monitor the evolving situation.

Background

4. The Board has received regular updates on the Authority's EU Exit Programme since it was initiated shortly after the EU referendum, including in March an update on the statistical system's readiness for a potential no-deal exit on 29 March.[2]

5. Since then, the EU Exit Programme has continued to progress work on all scenarios for the UK's withdrawal, including maintaining and developing these preparations through a series of working groups. The Board received a further update in July, from which there were no actions.

Discussion

6. The EU Exit Programme's 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.

7. 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.

8. Since the summer, the Government has reviewed attendance by UK officials (including ONS officials) at EU meetings, and attendance has now been reduced to a small number of meetings that are significant to the UK's interests beyond its withdrawal.

9. At the time of writing a number of scenarios remain possible, and the Programme continues to prepare for the full range of possible outcomes.

Preparations for no-deal

10. Following a stocktake of no-deal preparations held in February, a second stocktake of preparations was held on 14 October at which the Programme reviewed the progress of the working groups on economic and migration statistics, as well as planned communications, and ongoing engagement with Eurostat and other international bodies.

11. Having focused on statistics involving cross-border movements of either goods or people, as these had been identified as most at-risk in the event of a no-deal, data

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[2] https://www.statisticsauthority.gov.uk/publication/uk-statistics-authority-board-minutes-28-march-2019/

collection for both trade in goods and migration statistics have been mitigated extensively. Alternative data sources and their limitations in providing quality assurance or early indicators continue to be discussed by working groups.

12. The Programme has in place a no-deal communications strategy with two objectives:

- communicating effectively with stakeholders and staff about the implications of a no-deal exit for the future of the UK statistical system; and
- communicating effectively, through our outputs, about the impacts of a no-deal exit on the UK economy and society.

13. A statement from the incoming National Statistician has been prepared. This would reaffirm the commitment made in similar terms by John Pullinger in January, stressing to users our commitment to continued alignment with international standards, enabling comparability both over time and internationally.

Withdrawal Agreement

14. The Government published a revised Protocol on Northern Ireland to the Withdrawal Agreement, Political Declaration and Unilateral Declaration on Consent agreed with the EU on 17 October. The Government then introduced the EU (Withdrawal Agreement) Bill in Parliament to ratify and implement the revised Withdrawal Agreement, which passed its second reading in the House of Commons on 22 October.

15. As with the last iteration of the Withdrawal Agreement, there is provision for a transition or implementation period lasting until the end of 2020, with the potential for that to be extended. During any transition period the production of statistics would continue as now, and we would continue to work with the European Statistical System on a similar basis.

16. The Programme will continue to engage with the Department for Exiting the EU and Cabinet Office on next steps. We will monitor developments closely, including the passage of the Bill, in order to identify and consider any immediate or longer-term implications for the UK statistical system.

Possible Extension

17. Under the terms of the EU Withdrawal (No. 2) Act 2019 (the 'Benn' Act) an extension has been sought from the remaining 27 member states. At the time of writing the EU has said it is considering the request.

Conclusion

18. The preparations developed for a potential no deal in March 2019, which were reported to the Board at the time, remain in place and in some cases have been developed further.

19. The EU Exit Programme continues to monitor developments and engage with stakeholders to plan for all scenarios.

Will Laffan, Central Policy Secretariat, 24 October 2019

UK STATISTICS AUTHORITY

The current position on the Retail Prices Index (RPI)

[This paper has been redacted and will be published following the launch of the public consultation]

UK STATISTICS AUTHORITY

SA(19)53

RPI Corrections policy

Purpose

1. At the July meeting, the Board reflected on the two recent errors with RPI and asked ONS to consider its corrections/revisions policy on RPI. This paper provides an overview of the current corrections policy for the RPI, compares that to CPI/CPIH and sets out path for how that is likely to change in future.

Recommendation

2. Members of the Authority Board are invited to:

    i. agree that no change is made to the RPI policy[3] in the short term, on the basis that the current approach provides certainty to financial markets;

    ii. agree that after methods for the [CPIH are brought into the RPI](), that the position should be reviewed with a view to both indices becoming revisable in line with the current policy for the Consumer Prices Index (CPI) and Consumer Prices Index including owner occupiers' housing costs (CPIH), to ensure consistency and avoid misalignment; and

    iii. agree that following this, the CPI/CPIH policy should be reviewed to ensure it in line with domestic and international best practice, and consistent with the methods needed for the new data sources planned for consumer price indices.

Background

3. The current policy on corrections and revisions to RPI errors is that once the headline inflation figure is published, that published data is not corrected or revised. Where errors are identified, we correct the index for future periods to the correct level at the earliest opportunity, but data are not changed for previous periods. This no-revision policy is unique to the RPI.

4. During 2019, two separate errors in the production of RPI were identified. One was caused by data entry error, and the second by an error in the expenditure underpinning the RPI weights. In line with the RPI policy, these errors were not corrected in prior periods, but from the point of identification onwards. A summary of the historic impact was provided to users alongside the published statistics.

5. These errors received little adverse publicity from the media or users. However, they highlighted the current revision policy for consumer inflation indices and raised a question of whether we need to consider consistency between how RPI and CPI/CPIH are treated.

Discussion

6. In the context of this paper, 'revision' relates to the *correction* of previously published data that has been found to be in error. In the statistical context, 'revisions' more commonly refer to situations where previously published data can be *revised* to reflect late returned (or more comprehensive) data.

7. The current policy is long standing. The RPI Advisory Committee (the forerunner to the Advisory Panel on Consumer Prices) stated in 1986, "*it has always been the practice not to revise RPI once it has been published, as doing so would create serious problems for*

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[3] https://www.ons.gov.uk/economy/inflationandpriceindices/articles/revisionspolicyforconsumerpriceinflationstatistics/2017-03-21

some users, particularly in connection with index-linking, and we have no wish to see this practice changed".

8. With this policy in place, when errors have been found an announcement is made of the size of the error and by how much the correct value differs from the published value. This approach was followed for the 2019 RPI errors.

9. Before 2019, there were two publicised errors affecting the all items RPI. The first instance was in 1986, following the introduction of a new computer system. Pensioners and social security beneficiaries were compensated for this error. The second instance was in 1995, following the use of a seasonally adjusted house price index for the newly introduced depreciation index instead of an unadjusted index. Compensation was paid to some holders of national savings investments and to gilts holders. In both cases the erroneous data was left as published, with the index corrected going forward.

CPI revisions

10. By contrast, the CPI (and by extension the more recent CPIH) is a revisable index, in line with article 7.5 of the Harmonised Index of Consumer Prices (HICP)[4] and has been revised on several occasions since its launch in 1997. In 1998, errors in the 1996 and 1997 weights were corrected. In 2000, the final version of the COICOP classification system was adopted and earlier indices were reworked onto the new basis. Finally in 2006, the CPI was re-referenced to 2005=100 and the method of calculating derived statistics, such as rates of change, were changed from one based on published rounded indices to unrounded indices. This led to widespread revisions.

11. The 1998 revisions received little publicity and the 2000 and 2006 revisions were well trailed in advance and received little in the way of adverse comment. There have also been revisions to CPI sub-components on a handful of occasions, following the discovery of errors in their calculation. These too received little adverse publicity.

12. More recently, and specific to CPIH, the full series was revised in 2015 to incorporate improvements to the measurement of owner occupier housing costs. In March 2017[5] the series was revised to introduce improvements to underlying expenditure used in the weights calculation and extend coverage of CPIH to include Council Tax. Both these revisions were treated as exceptional cases because CPIH was a relatively new statistic at the time. The expectation is that no such historic revision would need to take place again.

13. There is no statistical reason for the different treatments of RPI and CPI/CPIH in terms of revisions. Rather it comes from the user requirement: that users of RPI prioritised certainty.

Guidance on handling revisions

14. The current Code of Practice for Statistics (edition 2.0)[6] states "*scheduled revisions or unscheduled corrections to the statistics and data should be released as soon as practicable. The changes should be transparently in line with a published policy*". In this respect, the published revision policy for consumer price inflation statistics is clear and has been adhered to for RPI.

15. The previous version of the Code of Practice and accompanying National Statistics Protocol on revisions was more prescriptive, particularly around the assessment of scale

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[4] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0792

[5] https://www.ons.gov.uk/economy/inflationandpriceindices/articles/impactofinclusionofcounciltaxandreviseddimputedrentsoncpih/dec2016

[6] https://www.statisticsauthority.gov.uk/wp-content/uploads/2017/07/DRAFT-Code-2.pdf

and impact of any errors: "*Revisions which are frequent and uneven will undermine user confidence. In general, revisions, whether scheduled or not, should only be incorporated in the data and published when they can make a significant contribution to good decision-making or are consequent upon, for example, published changes to sub-aggregate components, or changes in the availability of data*".

16. Furthermore, *"Producers of National Statistics will minimise the possibility of unexpected revisions but, if they occur, they will be released as soon as practicable and in an open and transparent manner. Revisions outside the normal pattern will usually only be made where a change results from an error, or from an administrative change that has a substantial impact. Where errors occur, those involved will be expected to judge an appropriate response, which should reflect the scale and impact of the revision*".

17. From an international perspective, article 7.5 of the Harmonised Index of Consumer Prices (HICP) states harmonised indices and their sub-indices that have already been published may be revised. The accompanying HICP methodological manual provides further guidance that "*mistakes shall be corrected and resulting revisions shall be implemented without unnecessary delay*".

<u>*The legal perspective*</u>

18. From a legal perspective, a private law claim in connection with our decisions around RPI – for example for a failure to correct an erroneous RPI figure creating a financial loss – would need to come under negligence, misfeasance in public office or breach of statutory duty. The courts are generally reluctant to find negligence against a public body when it is carrying out its public law duties, to avoid public bodies being hemmed in when exercising their normal discretion. A misfeasance in public office claim would require the decision maker to have acted with malice (i.e. deliberate or reckless disregard that the action was unlawful). The UK Statistics Authority have a statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good'. In this respect, having a clear, agreed and justifiable correction policy for inflation statistics is essential to fulfil this objective.

Conclusion and Next steps

19. The difference between RPI and CPI/CPIH policy is striking. The RPI policy is very long standing and the user requirements that shaped it may have changed. But any change here needs to be considered carefully in terms of wider reforms to RPI and new data sources and methods.

20. We recommend that no change is made to the RPI corrections and revisions policy in the short term. Until such time that CPIH methods can be brought into RPI, the existing RPI policy should hold.

21. Once CPIH methods have been brought into the RPI, the RPI correction policy should also be aligned to mirror the CPI approach to provide consistency across both indices. It would be frankly bizarre to align the indices in every other way, but not the revisions policy as it could lead to divergence between the two measures in future.

22. There is, in addition, a good case for reviewing the current CPI and CPIH approach to revision, taking account of:

    i.   best practice and the experience of other statistical agencies; and
    ii. the consequences of using scanner and web-scraped data in the CPI/CPIH. This arises because the methods likely to be used with these new data sources might have statistical properties that require a different approach to revisions.

23. This review, and subsequent consultation, can only happen once we have made more progress in deciding on the appropriate methods to use in the CPI/CPIH in the future. This prospect of future change to the CPI/CPIH revisions policy is another argument for not making a change to the approach RPI revisions now.

24. Following this review, a more detailed correction policy should be developed for CPI and CPIH that sets out the precise handing of any further errors, including for example, a proposed threshold level for the impact on headline indices that will need to be breached before a revision or correction takes place. This updated policy should strike the balance of ensuring accurate indices are published while maintaining confidence and trust in the statistics.

25. ***Are the Board content with this approach?***

Jonathan Athow, Deputy National Statistician for Economic Statistics, 24 October 2019

UK STATISTICS AUTHORITY

Census and Data Collection Transformation Programme Update

Purpose

1. This paper provides the Authority Board with an update on the Census Rehearsal; the preparations for the Census Coverage Survey (CCS) and the Processing and Outputs Rehearsal in the Spring. It also updates the Board on the legislative position, the Judicial review and our obligations to Scotland.

Recommendations

2. Members of the Authority Board are invited to note:

    i.   the Progress of the Census Rehearsal to date, and to expect an evaluation report against the success criteria in the Spring;
    ii.   the Preparations for the CCS and the Processing and Outputs Rehearsals;
    iii. progress with the Census Bill, the secondary legislation, the judicial review; and
    iv.   our obligations to Scotland.

Discussion

3. The Board have been receiving monthly updates on the preparations for the 2021 Census on an ongoing basis. The discussions have spanned readiness for the rehearsals, the digital build, the use of admin data for contingency, legislation and wider progress across the programme on business and social surveys. Most recently, at the September meeting the Board asked Mr Bell to confirm the position relating to ONS obligations to Scotland and an update is provided in this paper.

The Census Rehearsal

4. The Board are receiving a weekly update on the Census Rehearsal taking place in the four local authority areas in England and Wales: Carlisle, Ceredigion, Hackney and Tower Hamlets. The Census Rehearsal started with initial letters inviting people in these areas to take part on 23 September 2019 and is scheduled to finish on 13 November 2019 when the field force is stood down.

5. The rehearsal area covers just over 331,000 households, with a field follow up on 100,000 of these. By 23 October, 62,849 responses (19 per cent response rate) had been returned with around 83 per cent of these online. The response rate at this stage is still higher than anticipated. There was an unexpected surge of responses at the beginning of the rehearsal period, however, the expected surge in responses over the rehearsal weekend (12/13 October) did not materialise, suggesting that these responses came in earlier.   We continue to monitor response rates daily.

Next stages of Census Rehearsal operations

6. The main phase of field officer "follow ups" to non-respondents started on 21 October; with reminder letters posted to non-respondent households. This will test the flexibility and effectiveness of our interventions for non-response i.e. field officer deployment, reminder letters and "it's not too late" marketing campaign.

7. The field force will continue to operate until 13 November with further tranches of reminder letters to be circulated over the coming weeks. The work and the areas where the field force is required are directed by metrics to help increase response rates, in particular in areas where response rates are lower than expected.

8. A key element of the rehearsal is to test our operations and systems and while it is too early to assess the rehearsal against our success criteria, we can report to the Board on what we have learnt so far. A number of operations and systems have performed well including:

    i. the IT systems have, so far, provided a secure and stable platform, with respondents able to complete their questionnaires on line and data successfully flowing back into the Data Access Platform;
    ii. the incident management process has been working well, resolving issues throughout the rehearsal as they arise without impacting on the service; and
    iii. feedback from colleagues in Northern Ireland is also extremely positive and they are pleased with how well the platforms are performing.

9. Although things have on the whole gone well, there are areas where we need to improve by 2021:

    i. the Management Information we have is not easy to generate and we are continuing to iterate to improve its quality. These lessons will help us inform its further development for 2021; and
    ii. the number of incomplete returns is higher than expected. We are currently trying to establish if people are getting stuck, not seeing a "submit" button, or choosing to stop, and whether the system design is impacting behaviour.

10. The final aspect the rehearsal has taught us is the importance of engagement. While we have undertaken many community events which have proved successful, the need for a more systematic approach to this work has been highlighted.

11. The rehearsal has given us the opportunity for us to assess how well our contractors are operating under live conditions; with the majority performing well. However, there are two areas of concern. The field force contractor has consistently struggled to achieve the target number of field staff to timetable and the assisted digital response rate is disappointingly low. Work is underway to investigate and understand these further.

The Census Coverage Survey Rehearsal

12. The Census Coverage Survey (CCS) is planned to commence on 18 November with the first interviews starting around the 21 November. The rehearsal of the CCS will cover approximately 4,000 households and a number of smaller communal establishments (up to 50 bed spaces). This will require 55 CCS Interviewers, and five additional posts to form the CCS Area Management Team working in the four rehearsal areas.

13. The systems for the CCS are in their final stages of development and testing. The final go live decision will be made by the Programme Board on the 1 November and, based on current progress, we expect this to go ahead. There have been some minor delays to producing training materials, but this is not causing any operational concerns.

The Processing and outputs systems rehearsal

14. The need to have proven processing and outputs systems in advance of live Census operations was a key lesson learned from the evaluation of the 2011 Census. The rehearsal is scheduled for the spring of 2020. The processing and outputs rehearsal will provide assurance of the data processing capability, assuring that the underpinning technologies, including the new Data Access Platform, can perform as required and that we have the necessary capability.

15. The Census (Return Particulars and Removal of Penalties) Bill received Royal Assent on 8 October. The final stages of the Bill's passage through the House of Commons were held on Monday 7 October. The Bill was passed without amendment.

16. The next step is to lay before Parliament the Census Order for England and Wales. This will set out the day upon which a Census shall be taken, the question topics to be asked and who is responsible for answering them. We are working closely with the Cabinet Office and under current plans, the Order will be laid before Parliament in the middle of next month, subject to political developments. We are expecting a lively debate on the Order with amendments tabled.

17. The Order needs to lie in the House for 40 days (excluding recesses) and then be approved by the Privy Council before the Census Regulations can be laid. These set out the content of the questions and the detailed operational methodology to be used during the Census; separate Regulations are laid for England in Parliament (by the UK Government) and for Wales in the National Assembly (by Welsh Ministers).

18. Current work on scheduling the Order and Regulations aims to have the Regulations in force by April 2020.

19. The Board will receive a briefing pack prior to the Order being laid in the House. We are expecting public debate both in and outside Parliament during this time. We would like to ask the Board's help in advocating the Order to Parliamentarians and other key commentators and stakeholders.

Judicial Review

20. The Sikh Federation UK's Judicial Review against the Cabinet Office has a date for hearings on 12-13 November. The challenge is against the Cabinet Office Minister's capacity to lay the Census Order based on the UK Statistics Authority recommendations for the Census as set out in the White Paper.

Scotland

21. Following discussion at the last Board, we can confirm that the two Memorandums of Understanding relating to Census we have with National Records Scotland (NRS) cover Joint Research and Joint Data Projects (from 2017), as well as the sharing of procurement documentation (from 2018).

22. As noted at the last Board, due to the challenges NRS have faced, specifically around procurements, their collection rehearsal is online only and without a field operation. Additionally, their call centre operations are being provided in house.

Business Statistics and Social Survey Transformation

23. This year, we expect to receive more than 50 per cent of business survey responses online for the first time. In the coming months, we expect:

   i.   the release of the functionality from the Census Rehearsal enables us to plan and progress the next phase of online business surveys for the 2020/21 financial year; and

   ii. agreement on the best architecture for editing and processing combined administrative and survey data, means that the technology for the first truly integrated administrative survey set will be delivered by end of March 2020;

24. The Social Survey Transformation has had success with the Labour Market Survey (LMS) pilot over the summer, maintaining very high levels of on line take up at 30 per cent. The new mixed mode Opinion Survey will go live in November. This will be the first on line mixed-mode social survey deployed

25. Delayed acquisition of HMRC and DWP data has impacted on the full transformation of the Household Finance Survey (HFS) which would replace questions with administrative data, reducing the questionnaire to only data items not available through administrative data to sufficient quality.

26. Work is now focussed on the build of a new and transformed survey mechanism which will support all surveys not just the financial survey. This will incorporate the LMS and a Populations Characteristics Survey, as well as a variety of other modules where a requirement for survey collection remains.

Conclusion
27. The Board is asked to note the progress to date and that we will keep them up to date with developments.

Iain Bell, Deputy National Statistician for Population and Public Policy
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25 October 2019