

UK STATISTICS AUTHORITY

Minutes

**Meeting of Friday 16 October 2009
Board Room, Statistics House, London**

Present

UK Statistics Authority

Sir Michael Scholar (Chair)
Lord Rowe-Beddoe (Deputy Chair, ONS)
Mr Richard Alldritt
Mr Partha Dasgupta
Ms Jil Matheson
Ms Moira Gibb
Mr Steve Newman
Professor Steve Nickell
Professor David Rhind

Secretariat

Mr Robert Bumpstead

Apologies

Professor Sir Roger Jowell (Deputy Chair, Official Statistics)

Other Attendees

Mr Richard Laux (items 5 to 8)
Mr Mark Pont (items 5 to 8)
Mr Ross Young (item 11)
Mr Dennis Roberts (item 12)

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1. Apologies

- 1.1 Apologies had been received from Professor Jowell.

2. Declarations of Interest

- 2.1 There were no declarations of interest.

3. Minutes and Matters arising from the Previous Meeting

- 3.1 The minutes of the previous meeting held on 11 September 2009 were accepted as a true and fair account.

4. Reports from Committee Chairs

Assessment Committee

- 4.1 Sir Michael Scholar reported on the meeting of the Assessment Committee held on 14 September 2009.
- 4.2 A revised procedure for the consideration of draft Assessment Reports had been developed. The Head of Assessment would consider draft reports in advance of committee meetings and supply his own comments, along with those of the National Statistician and the producer department, for the committee's consideration.
- 4.3 The new procedure was being implemented with the current round of Assessment Reports and was working well. The Authority endorsed this approach.

Office for National Statistics Board (ONS)

- 4.4 Lord Rowe-Beddoe reported on the meeting of the ONS Board held on 9 October, 2009. The Board had considered the potential risks to ONS outputs of disruption to the postal service, in relation to the 2011 Census and in general.
- 4.5 The Authority agreed to consider a presentation on the latest preparations for the 2011 Census at its next meeting.

5. Further Developments of the Arrangements for Assessment [SA(09)51]

- 5.1 Mr Laux introduced a paper which set out a range of proposed developments to the Assessment Programme.
- 5.2 The Authority noted progress in respect of current Assessments, work in relation to monitoring the implementation of Assessment Report requirements, and the production of guidance handbooks for both assessors and assessed.
- 5.3 The arrangements for a special, phased Assessment of 2011 Census outputs were considered and approved. The meeting understood that producers had been fully consulted and were content with the proposals.
- 5.4 Proposals to streamline future assessments were also considered and endorsed. The approach set out how similar statistics would be grouped together and assessed, and how assessment activity would be prioritised according to the potential impact and level of concern about each set of statistics.
- 5.5 The meeting also approved proposals for the employment of a consultant to support assessment, subject to usual procurement procedures. This would have benefits in respect of contingency planning, flexibility of resource, and supplementing in-house capability with specialist expertise.

6. Assessment: Draft Forward Work Plan [SA(09)52]

- 6.1 Mr Pont introduced a draft forward work plan for the Assessment Programme. The proposals anticipated assessing the full range of existing National Statistics over the

next three years.

- 6.2 The Authority agreed the overall proposal and resolved to further consider some specific detailed timetabling and grouping issues at a future meeting.

7. Draft Specification for the Monitoring Review of Pre-release Access and Other Priorities for Monitoring Reviews [SA(09)53]

- 7.1 Mr Alldritt presented a paper which described priorities for the Authority's programme of Monitoring Reviews.
- 7.2 Proposals to conduct a review of access to statistics, and whether present arrangements met user needs, were welcomed. It was agreed that the preparatory work for this review, as detailed in the paper, should begin.
- 7.3 A draft specification for a Monitoring Review of Pre-release access arrangements was also considered. It was agreed that work on this project should also begin, with a view to producing a draft Report for consideration by the Authority in December.
- 7.4 In light of these commitments, and other on-going Monitoring Reviews, it was agreed to defer any decision to commit to undertake further specific Monitoring Reviews until the new year.

8 Draft Assessment Reports 13 to 16: Statistics on Children Looked after by Local Authorities in England, Scotland, Wales and Northern Ireland [SA(09)54]

- 8.1 Mr Laux presented four draft Assessment Reports concerning statistics about looked after children in the constituent countries of the UK. The Reports had previously been considered by the Assessment Committee.
- 8.2 All four Reports were approved for publication.

9. A National Address Register; Further Correspondence [SA(09)55]

- 9.1 The Authority noted further correspondence on the issue of a National Address Register.

10. Transfers of Statistical Work: Practical Considerations [SA(09)56]

- 10.1 Ms Matheson introduced a paper which considered different factors associated with the transfers of statistical work from one department to another. Practical considerations were noted, bearing in mind previous experiences of transfers of statistical activity over the past two decades.

11. Procedure and Conduct During a General Election [SA(09)57]

- 11.1 Mr Young invited Authority members to consider issues of conduct and procedure during a General Election, with reference to guidance issued at the last election by the Cabinet Office.
- 11.2 The meeting discussed the issues and agreed that the type and nature of particular issues which might come to the fore in an election campaign were difficult to predict. In all events the Authority should act both to preserve its independence and in ways which were consistent with guidelines which would apply to civil servants, and to Authority members as appropriate.

12. Recommendations of the Consumer Prices Advisory Committee [SA(09)58]

- 12.1 Mr Roberts introduced a paper which reported on the first meetings of the Consumer Prices Advisory Committee (CPAC).
- 12.2 The CPAC had agreed to recommend a change in the way the Retail Prices Index (RPI) is calculated. The change involves using the Average Effective Rate as the measure of interest to be used in the calculation of mortgage interest payments in the

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Retail Price Index (RPI).

- 12.3 The Authority approved these proposals. The next stage was to formally consult the Bank of England on the proposed change and to consult all users through a public consultation.

13. Any Other Business

- 13.1 The Chair reported that interviews for the vacant posts of ONS Director General, and Authority Non-executive Director were due to be held in the coming month.
- 13.2 There was no other business.

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Agenda

Friday, 16 October, 2009

Board Room, Statistics House, London, 11:15 - 15:00

Chair: Sir Michael Scholar

Apologies: Sir Roger Jowell

1	Minutes and matters arising from previous meeting Declarations of interest	Meeting of 110909
2	Reports from Committee Chairs: <ul style="list-style-type: none">• Assessment Committee• ONS Board	Sir Michael Scholar Lord Rowe-Beddoe
3	Further Developments of the Arrangements for Assessment	SA(09)51 Mr. Richard Laux
4	Assessment: Draft Forward Work Plan Phase Three	SA(09)52 Mr. Mark Pont
5	Draft Specification for the Monitoring Review of Pre-release Access and Other Priorities for Monitoring Reviews	SA(09)53 Mr. Richard Alldritt
6	Draft Assessment Reports 13 to 16: Statistics on Children Looked after by Local Authorities in England, Scotland, Wales and Northern Ireland	SA(09)54 Mr. Richard Alldritt and Mr. Richard Laux
7	A National Address Register: Further Correspondence	SA(09)55 Secretariat
8	Transfers of Statistical Work: Practical Considerations	SA(09)56 Ms. Jil Matheson
9	Procedure and Conduct During a General Election	SA(09)57 Secretariat
10	Recommendations of the Consumer Prices Advisory Committee	SA(09)58 Mr. Dennis Roberts
11	Any other business	

Next Meeting: Friday, 20 November, 2009
Statistics House, London, 11:15 - 15:00

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SA(09)51

Further Developments of the Arrangements for Assessment

Purpose

1. This paper updates the Authority Board with progress on Assessment, and describes a number of proposed developments to the way Assessment is undertaken.

Timing

2. For consideration by the Authority Board at its October 2009 meeting. This paper contains a series of Annexes and related recommendations which are set out sequentially below, under the relevant sub-headings.

Recommendations

3. Members of the Authority Board are invited to:

Progress on Assessments, and Forward Look

- i. note the proposed timetable for the discussion of draft Assessment Reports for the remainder of 2009 and early 2010, in the light of the new approach mooted by the Assessment Committee (paragraphs 6 and 7 in the main paper and **Annex A**); and note progress with current Assessments (paragraph 8, **Annex B**);

Following up Requirements

- ii. agree the publication of the draft web note describing the approach being taken by the Monitoring and Assessment Team to follow up the implementation of Requirements in published Assessment Reports (paragraph 9, **Annex C**);
- iii. note the Team's proposals in relation to the Requirements in Reports 1 to 9 and agree to consider the issues in more detail at the November Authority meeting (paragraph 10, **Annexe D**);

Census Special Assessment

- iv. agree the publication of the Specification for the Census Special Assessment (paragraph 11, **Annex E**);

Streamlining Assessments

- v. endorse the proposed approach to streamlining the assessment process (paragraph 13, **Annex F**);
- vi. agree the publication of the draft web note about 'sequencing', revised to reflect 'streamlining' (paragraph 14, **Annex G**);

Use of External Resources

- vii. endorse the proposal to pilot the use of an external consultant in a forthcoming Assessment (paragraph 15, **Annex H**);

Handbooks

- viii. note that the Team is developing coherent guidance both for itself and for producers (paragraph 16), and;

Assessment Reports

- ix. comment on the revised format of Assessment Reports (paragraph 17).

Discussion

Progress on Assessments, including following up Requirements

4. Three Assessment Reports were published on 16 September. These were:
 - i. Scottish Health Survey (Report 10);
 - ii. Scottish House Condition Survey (Report 11), and;
 - iii. Scottish Crime and Justice Survey (Report 12).
5. Four draft Reports on Children Looked After statistics are presented to this meeting of the Board for comment and approval. This follows discussion of these Reports at the September meeting of the Assessment Committee.
6. At that meeting, the Assessment Committee agreed that in future it should be presented with draft Reports that reflected comments from producers and the National Statistician. It also suggested that in future the Authority Board might wish to focus its deliberations on covering papers for draft Reports, setting out any particular issues that the Assessment Committee thought the Board should consider.
7. Annex A shows how it is planned to clear the remaining ongoing Assessments by the Assessment Committee and the Authority Board.
8. Annex B details progress for the current Assessments.
9. Most of the published Assessment Reports have set a date by which producers have been asked to report their progress in implementing Requirements. To ensure a consistent and fair approach Annex C sets out the process by which Assessment Teams are following up the implementation of requirements in the form of a draft note suitable for publication on the website.
10. At the time of specifying requirements, Assessment Teams typically provide examples of how requirements could be met. Nonetheless there may be occasions when the expectations of the Assessment Team for a particular requirement are not met, and opinions may differ on whether steps taken by a producer body are sufficient to meet the requirement. Annex D reports on the implementation of requirements by producers to date. At this stage we are not suggesting any Authority intervention. A substantive paper will be produced for the November meeting of the Authority Board.

Population Census Outputs

11. We had a very positive discussion with Census producers at the end of September, which has helped confirm a suitable structure for the Special Assessment of 2011 Census outputs. A draft Specification of the work, agreed with the producers, is attached at Annex E. It is proposed to publish this on the website.
12. The first phase of the Assessment will review those practices in the *Code* relating to topics on which planning by the three Census offices (England and Wales, Northern Ireland, Scotland) is complete. Further practices will be reviewed in phase two of the Assessment during early 2011. The final phase of the Assessment will take place after publication of Census outputs. In assessing compliance with the *Code*, we will review the extent to which plans for the 2011 Census have taken into account perceived problems with the 2001 Census.

Streamlining Assessment

13. Annex F describes a revised, streamlined assessment process that makes the burden of assessment more proportionate to the level of importance of, and concern about, particular sets of statistics. It will enable the Monitoring and Assessment Team to assess

the full range of National Statistics over the next three years. The main elements of streamlining are: (a) grouping of statistical outputs; (b) prioritisation of these groups for assessment; (c) refinements to the collection of written evidence from producers, users and data suppliers, including a more flexible approach to collecting information from producers about relatively non-contentious statistics, and; (d) more effective use of meetings with producers.

14. Annex G is a revised web statement of the sequence for the production and approval of Assessment Reports, modified in line with the thinking described above.

The use of External Resource to Support Assessment Activity

15. Annex H proposes that we pilot the employment, under a framework contract, of a suitably skilled and experienced consultant to undertake a forthcoming Assessment. This is to provide an external perspective on assessment and advise on the future use of external support for assessment.

Handbooks

16. We are developing revised guidance for assessors, in the form of an Assessment Handbook. This will introduce new assessors to the role and be a reference document for existing assessors. A new web-product, Guidance about Assessment for Producers is also being developed. The aim of this is to ensure that producers have a full understanding of the Assessment process, in particular to enable them to prepare in advance any documentation required for the Assessment. This should speed up the process and avoid unnecessary delays in providing evidence, and lead to a better quality of assessment.

Assessment Reports

17. Some small formatting improvements are proposed, intended to: (a) make it clearer on the front cover that these are Assessment Reports; (b) remove some repetitious text, and; (c) ensure that the summary of findings (including requirements) paginates better than at present. Some mock-ups will be available at the Authority Board meeting.

Richard Laux, Monitoring and Assessment Team, October 2009

List of Annexes

Annex A	Proposed Timetable for Approving the Remaining Ongoing Assessments
Annex B	Progress with Current Assessments
Annex C	Draft Web Note: <i>Process for Discussing with Producers their Implementation of Requirements</i>
Annex D	Implementation of Requirements to date
Annex E	Specification of the Special Assessment of Census 2011
Annex F	Proposals for a Streamlined Approach to Assessment
Annex G	Revised Web Statement <i>Sequence for the Production and Approval of Assessment Reports</i>
Annex H	Proposals for the Employment of a Consultant to Support Assessment

Annex A Proposed Timetable for Approving the Remaining Ongoing Assessments

1. The Assessment Committee decided at its September 2009 meeting that in future it wished to consider only the substantive issues relating to Assessment Reports. This might include, for example any areas of disagreement between the Monitoring and Assessment Team, producers and the National Statistician; more generally, matters with substantial policy or resource implications or issues with a significant political dimension should be considered in their own right.
2. Prior to presenting draft Reports to the Assessment Committee, the Team will send them to producers and the National Statistician; we will consider their responses; and we will make changes to the reports accordingly. The Head of Assessment will sign off a list of points on each Report that the Committee should then consider. This will formalise the role of Head of Assessment for approving reports subject to discussion of the matters referred to the Assessment Committee. The Assessment Committee will advise the Monitoring and Assessment Team of its thinking, including whether any substantive issues should be considered explicitly by the Authority Board.
3. The timetable presented below is based on our best current estimate of the availability of draft Assessment Reports for discussion by the Assessment Committee. Note that the Special Assessment of 2011 Census outputs is now expected to report in the new year in order to ensure that data collection from producers does not clash with the 2011 Census rehearsals. Plans are as follows.

Assessment Committee 16 October/Authority Board 20 November

- Wealth in Great Britain Office for National Statistics (ONS)
 - Statistics on the National Child Measurement Programme (NHS Information Centre)
 - Average Weekly Earnings (ONS)
 - Energy and Regional Statistics (Department of Energy and Climate Change)
- (four Assessment Reports, covering around 15 outputs)*

Assessment Committee 1 December/Authority Board 11 December

- Producer Price Indices (including Service Producer Price Indices) (ONS)
 - Referral to Treatment Waiting Times (Department of Health)
 - Agriculture UK and associated agricultural commodity surveys (Department for Environment, Food and Rural Affairs)
 - Scottish Household Survey (Scottish Government)
 - Scottish Labour Market Statistics (Scottish Government)
 - Child Benefit Statistics (Department for Work and Pensions)
- (seven Assessment Reports, covering around 30 outputs)*

Assessment Committee 9 February 2010/Authority Board 26 February

- Child and Working Tax Credit Statistics (Department for Work and Pensions)
 - 2011 Census Special Assessment, phase 1 (various producers)
- (two Assessment Reports, covering around 50 outputs)*

4. Assessments of schools statistics and labour market statistics are currently being planned, with a view to completing the Assessments during the current financial year. This will require an additional meeting of the Assessment Committee early in March 2010.

Annex C - Process for Discussing with Producers their Implementation of Requirements

This document will be published on the UK Statistics Authority website in due course.

Published assessment procedures are available at:

<http://www.statisticsauthority.gov.uk/assessment/principles---procedures/process-for-discussing-with-producers-their-implementation-of-assessment-requirements.pdf>

Annex D Implementation of Requirements to date

1. For the phase one Assessments (shown in Table 1 below) the deadline for producer bodies to implement the enhancements required to secure the National Statistics designation has passed or is approaching. This note reports on the implementation of requirements by producers to date.

Table 1: Phase One Assessments

Report Title	Report Number	Response required by
Statistics from the National Drug Treatment Monitoring System	1	Oct-09
Recorded Crime in Scotland	2	Oct-09
Statistics on Enrolments at Schools and in Pre-School Education in Northern Ireland	3	Dec-09
Road Casualty Statistics	4	Nov-09
UK Energy Sector Indicators	5	-
Statistics on Road Freight	6	Sep-09
Prison Population Projections	7	Nov-09
Migration Statistics	8	Nov-09
Statistics on International Development and the ODA : GNI Ratio	9	Oct-09
The Scottish Health Survey	10	Jan-10
Scottish House Condition Survey	11	Jan-10
Scottish Crime and Justice Survey	12	Jan-10

Report 1: 'Statistics from the National Drug Treatment Monitoring System' - National Treatment Agency (NTA)

2. The lead analyst at NTA has told us that they are on course to implement the requirements by the required deadline.

Report 2: 'Recorded Crime in Scotland' - Scottish Government

3. Scottish Government statisticians have told us that they are on track to write to the Authority during October to explain how they have addressed the requirements for these statistics.
4. Scottish Government published the release for 2008/09 data on 29 September 2009. The new release included improved linkages to the National Statistics Publication Hub. It is still not easy to distinguish between the news release and the statistical release, although Scottish Government say that they have made some changes. The publication retains some commentary by police forces although this is more clearly signposted than before. Scottish Government has also told us that this commentary has been reviewed to ensure it is impartial and objective.
5. We propose to wait for the formal letter from the Scottish Government before raising with the Authority Board in November the question of whether these improvements go far enough to meet the requirements in the Assessment Report.

Report 3 'Statistics on Enrolments at Schools and in Pre-School Education in Northern Ireland' - Department of Education, Northern Ireland

6. Not due until December, so not contacted yet.

Report 4: 'Road Casualty statistics' - Department for Transport (DfT)

7. DfT published the latest annual volume, entitled *Reported Road Casualties Great Britain 2008*, in September (author's emphasis). This included helpful articles including approximations of the likely total numbers of road casualties. The webnote that accompanied the release of the annual volume included the following:

'Our best current estimate, derived from survey data with cross-checking against other data sources, is that the total number of road casualties in Great Britain each year, including those not reported to police, is within the range 680 thousand to 920 thousand with a central estimate of 800 thousand.'

8. DfT has also told us that they "can confirm that we are on schedule to meet (the) deadline. We will provide a more detailed response once the timetable for the outstanding issues is firmer. " We propose to wait for an update from DfT, and to bring this back to the Authority Board meeting in November.

Report 5: 'Energy Sector Indicators' - Department of Energy and Climate Change (DECC)

9. We did not specify a date by which the Requirements were due to be notified in this Report, published on 27 July, as we were working with DECC statisticians in real time as they were preparing the 2008 volume of ESI which was itself published on 30 July.
10. DECC has taken steps to meet the requirements for the most recent publication. However the Assessment Team believes that further work is required. For this particular assessment the turnaround time between assessment and publication was tight. We are therefore proposing to write to DECC recognising the statisticians had only limited time to improve this year's publication and that we expect further enhancements to be implemented for next year's publication (draft letter attached at annex D1).

Report 6: 'Statistics on Road Freight' - DfT

11. DfT partially published the latest annual volume in October. The processing of data for this volume was subject to technical difficulties which we were aware of at the time of the Assessment. Nonetheless DfT has taken steps to meet the requirements specified although some, such as the DfT-wide statement of administrative sources, are not yet implemented.

Report 7: 'Prison Population Projections' - Ministry of Justice (MoJ)

12. MoJ is on schedule to meet the requirements and will send a short document listing what they have done, by 30 October.

Report 8: 'Migration Statistics' - ONS

13. We have contacted ONS, but not received a response yet. Their deadline is not until the end of November, so we will follow up nearer the time.

Report 9: 'Statistics on International Development' and 'the ODA : GNI Ratio' - Department for International Development (DFID)

14. *Statistics on International Development for 2008/09* was published on 8 October 2009. It includes certain amendments in response to the requirements. DfID officials have told us that they are on track to write to the Authority during October to explain how they have addressed the requirements for these statistics. This will provide a basis for reaching a definitive view on whether all the requirements in the Assessment Report have been met.

Annex E Specification of the Special Assessment of Census 2011

Introduction

The UK Statistics Authority has a statutory responsibility to assess and determine whether its *Code of Practice for Official Statistics* is complied with in relation to statistics already designated as National Statistics, at the time the *Statistics and Registration Service Act 2007* came into force (April 2008). Outputs from the Population Censuses fall into this category.

The Population Censuses are the highest profile and most expensive statistical operations conducted in the UK. The next Censuses are due to be carried out in March 2011 and the UK Statistics Authority plans to carry out a Special Assessment of the planning arrangements for, and outputs from, the 2011 Censuses. For convenience we refer below to *the Census*, rather than the three Censuses carried out in England and Wales, Scotland and Northern Ireland.

The Special Assessment

The Assessment aims to:

- i. review the extent to which the production, management and dissemination of the 2011 Census statistics comply with the Authority's *Code of Practice*. If the Authority decides that these statistics comply with the *Code*, this will allow the outputs to carry the National Statistics designation when they are published;
- ii. offer an independent appraisal to users and commentators of the extent to which the major issues from the previous Census - carried out in 2001 - are being dealt with in planning the 2011 Census, and;
- iii. inform the three UK Census Offices of any further issues they might want to be aware of in relation to planning for 2011.

We do not aim to offer a formal designation of the 2001 Census outputs - we do not believe that this would be meaningful, as we see each decennial Census as being essentially a one-off exercise. But we have a legal obligation under the *Statistics and Registration Service Act 2007* to re-assess existing National Statistics, and will regard this Special Assessment as fulfilling our obligation under the *Act* in relation to the Census.

The Special Assessment, which is intended to complement the work of the National Statistician and the Registrars General on planning the 2011 Census, will be carried out in three phases:

1. The **first phase** will assess compliance with the *Code of Practice* for those areas where the planning for 2011 is essentially complete - for example, confidentiality protection. The Authority will publish its findings in an initial assessment report in early 2010.
2. The **second phase** will cover compliance with the remaining practices, to include, for example, provisional assessment of plans for publication of the various Census outputs. This may involve a review of the 2001 outputs to assess the changes which are planned for the 2011 outputs, and the extent to which the issues from the previous Census have been or are being addressed. We expect to publish a report on phase 2 in early 2011. This phase will enable the designation of Census outputs as National Statistics in line with the Statistics Authority's usual practices for designating unpublished outputs.
3. The **final phase** will be carried out after the Census outputs are published, and will involve an assessment of the outputs in light of users' views. We expect to publish a report on phase 3 by mid 2013.

Evidence Required

The Special Assessment will be informed by evidence collected both by the Statistics Authority and provided by producer bodies. This will include:

- i. evidence of how producers have planned operations for the 2011 Census, including relevant evidence of how they have dealt with, or are planning to deal with, issues from the 2001 Census. This will include details of the extent to which recommendations from existing reviews have been implemented;
- ii. relevant documentation from users and commentators about the extent to which they are content with the way that issues have been dealt with in relation to plans for - and outputs from - the 2011 Census, and;
- iii. users' views of good practice in relation to the planning and conduct of the 2011 Census, and whether such good practices might be relevant in other statistical areas.

For the first phase of the Special Assessment, producers have agreed to supply:

- i. a list of the key users of census statistics across the four countries of the UK, including academic users and special interest groups;
- ii. a three-point breakdown ("completed", "under way", "planned") against each practice in the *Code*, and;
- iii. supporting documents or other evidence for each of the "completed" practices.

We will discuss with producers the evidence that we require for the second and third phases of the assessment in due course. In general we want to minimise burdens on producers, given their ongoing work for the 2011 Census. Where possible, we will rely on existing documentation, which should be readily available.

For the Special Assessment as a whole, we will also:

- i. carry out our own research to identify the extent to which issues from the 2001 Census have been addressed. In doing so, we will refer to evidence from external reviews of the 2001 Census, for example those produced by the National Audit Office, the Local Government Association, and the Statistics Commission;
- ii. speak to other people in the development/production process, such as methodologists, so that we cover a broad range of perspectives;
- iii. discuss with users or their representatives any residual concerns they may have about the plans for the 2011 Census, and (later) the outputs from the census, and;
- iv. seek input from producers to clarify any of our findings and to fill gaps in our evidence base.

Reporting

We will analyse all of this evidence and use it as the basis for a series of reports setting out in broad terms the extent of *Code* compliance as evidenced at each phase of the assessment. These reports may include activities which we think the three Census Offices might consider, in relation to 2011, that would strengthen *Code* compliance.

Timing

The first phase will begin in earnest in October 2009, with a view to collecting information from producers during October/November, and presenting a Report on this phase for the Authority Board in February 2010.

The provisional timescales for the later phases of the Assessment (to be confirmed in due course) are:

- Second phase to start in late 2010 with a view to publishing a report in early 2011.
- Third phase to start in mid 2012 with a view to publishing by mid 2013.

Annex F Proposals for a Streamlined Approach to Assessment

1. This annex describes a revised, streamlined assessment process that makes the burden of assessment more proportionate to the level of importance of, and concern about, particular sets of statistics, and will enable us to assess the full range of national statistics over the next three years. Subject to the views of the Authority Board, the Monitoring and Assessment Team will then refine the new processes further and will implement the new approach in relation to the 2010-2012 Assessment Work Programme.

Current Assessment Process

2. For the initial assessments, the collection and analysis of information about code compliance proceeded as follows:
 - i. initial meetings were held with producers, primarily to agree the scope of the assessments and the timing;
 - ii. following the meeting, producers were asked to provide some background information about the statistics and details of known users, then to complete the Written Evidence for Assessment (WEfA) containing information on the organisation's practices and principles as well as relevant product specific information;
 - iii. in parallel, the Monitoring and Assessment Team undertook its own research and consulted with a range of users, suppliers and other stakeholders as it considered appropriate, and;
 - iv. the Monitoring and Assessment Team then reviewed the evidence in a follow up meeting with the producers, and prepared an assessment report that documented the main findings.

The Proposed New Approach

Grouping

3. The published list of National Statistics runs to some 1,200 outputs. The Monitoring and Assessment Team has worked with producers over the summer and autumn to identify groups of statistical products that are sufficiently homogeneous to be assessed at the same time. This exercise has led us to identify about 230 groups (comprising the 1,200 sets of statistics).

Prioritisation

4. As part of the exercise described at paragraph 3, producers have supplied information about what they see as the relative priorities for the assessment of the groups of statistics that they are responsible for. This judgement was based on their consideration of a number of detailed elements of "importance", and "concern". The Monitoring and Assessment Team had no major disagreements with producers' suggestions, which were very helpful in putting the work programme together (though they should not be regarded as a definitive statement of importance/concern).

Streamlining the Collection of Evidence for Assessment

5. We have reviewed how best to collect the evidence that is needed to assess compliance with each practice in the *Code*. This will enable us to minimise burdens on producers, while reducing the input required by the Monitoring and Assessment Team. Some practices relate to organisational policies, so it should be possible for producers to provide us with evidence once covering the whole organisation. We will then only need to collect information about individual (groups of) outputs during each assessment.
6. For the organisational evidence, we propose to ask each producer body to publish a set of documents on its website that are required by the *Code*. We will then simply ask producers to ensure that we have links to the latest material, by reporting to us annually

that the material on its website is up-to-date. Some other practices are organisational in nature, but the *Code* does not require documents to be published. For these, we will ask producers to give us the relevant supporting material at the same time as the links mentioned above. Initial feedback from producers suggests that they support this approach.

7. We will also make it clearer to producers which practices we will assess simply by referring to published documents, or to internal documents that producers can send us 'off the shelf'.

Evidence from Users and Suppliers

8. We have reviewed the effectiveness of our approach to collecting information about statistical products from users and other stakeholders. We have identified a revised, simplified set of questions, aimed at eliciting better information while imposing less of a burden on recipients. We have discussed these questions with some users who commented critically about the current questionnaire, and they have been positive about the proposed new approach. Nevertheless, we will keep this under review, as we continue to develop our thinking on how best to engage users in the individual assessments.

Face-to-Face Meetings with Producers

9. We propose to agree issues such as the precise scope of the assessment and timescales by telephone and email correspondence at the start of the process, rather than at initial scoping meetings (though we may retain these in the assessment of more involved groups). In general we would expect to meet with producers at a later stage in the process, after much of the evidence has already been collected and analysed. This meeting would review the evidence on *Code* compliance and allow producers to provide any further evidence that the Team requires to assess compliance.

Assessment of Relatively Non-Contentious Statistics

10. The overall approach to assessment outlined above would apply to all groups of statistics, whether they be of high or low importance or concern. However, we see a number of ways in which the approach to individual assessments can be adjusted for statistics that are of lower importance or concern (those we consider to be relatively non-contentious):

Grouping: We expect to group together relatively large numbers of 'non-contentious' statistics. As we begin individual Assessments, we will consider the extent to which we can create larger groups of 'non-contentious' statistics to further increase efficiency. We will want to ensure that we are able to be suitably thorough for the outputs of highest importance/most concern, so this helps make our approach proportionate to the perceived level of risk.

Evidence Requirements: The Assessment Teams will take account of the importance of the statistics in determining the level of evidence needed to demonstrate compliance with the *Code of Practice*. We have trialled the use of the face-to-face meeting to gather the remaining product-specific evidence needed to determine the extent of compliance with the *Code*, and the experience was positive. For such Assessments we will not necessarily expect completion of the product-specific WEfA - instead we propose that a comprehensive meeting note be taken and agreed with producers, and that this will constitute the written record of the evidence. In addition, we may expect the producer to provide links to or copies of some key documents. Some producers may prefer to provide full written product evidence in relation to all Assessments - we will be happy to accept this, of course.

SA(09)51 - Further Developments of the Arrangements for Assessment

Internal Quality Assurance meetings will continue to help ensure that judgements about the evidence that is needed are made on a consistent basis across Assessments.

If this approach does not seem to work in the case of a particular assessment, we will revert to asking the producer to provide (brief) written evidence.

Assessment Report-Writing: For non-contentious statistics we propose that section 4 would concentrate on exception reporting - listing those areas where enhancements are needed, and only writing text to support views on good practices, and requirements and suggestions.

Benefits of the Proposed Approach

11. Moving towards grouped Assessments will allow the Team to make much faster inroads into the full programme of the 1,200 or so National Statistics (NS) products than would otherwise be possible. Taking account of the perceived level of importance and concern ensures that the level of scrutiny is proportionate to the level of risk. Streamlining the approach to evidence gathering and meetings with producers will make for a more efficient assessment process, saving time for both producers and the Monitoring and Assessment Team.
12. The ongoing assessments of a group of statistics seem to be taking about 20 to 25 working days of staff input. We expect that the use of the proposed streamlined process, and our increasing familiarity with the assessment process, will reduce this by about a quarter.

Alternative Approaches Considered

13. We considered a number of other approaches to streamlining assessment, such as:
 - i. asking the producer to report what they see as the areas of non-compliance. Putting the onus on the producer to undertake the work of assessment against the *Code* would save considerable Monitoring and Assessment resource. However, we would have little evidence on which to base, and to justify, our resultant recommendation about designation. And the burdens on producers would tend to increase, and;
 - ii. reducing the intensity of various parts of the process: limiting background research, contacting fewer users, asking for less written evidence from producers and reducing the content of the reports. Reducing the evidence base, particularly the user input, would shorten the process but would risk the integrity and credibility of our Assessments.

Further Review

14. Whilst we expect this revised approach to allow us to make faster progress, we would like to report back to the Authority Board in April 2010. We should have a much better idea by then whether or not we are on course to deliver the full programme of Assessments within the expected time frame, or whether further innovation is required.

Annex G Revised Web Statement *Sequence for the Production and Approval of Assessment Reports*

This statement has been published on the UK Statistics Authority website.

This Document can be viewed at:

<http://www.statisticsauthority.gov.uk/assessment/principles---procedures/sequence-of-the-production-and-approval-of-assessment-reports-2009-.pdf>

Annex H Proposals for the Employment of a Consultant to Support Assessment

1. The Authority's Monitoring and Assessment Team comprises 17 staff in London, Edinburgh and Newport, with two vacancies to be filled (in Edinburgh). We believe that the size and structure of the Team is broadly consistent with the Authority Board's priorities in relation to the delivery of Assessment in particular, as well as maintaining a steady flow of Monitoring activity (though input to this has been scaled back in recent months whilst we have focused on Assessment).
2. However, we think that significant potential benefits might accrue if we were able to out-source some assessment activity. We would:
 - i. again access to specialist expertise, in particular statistical areas, which we feel would be required in order to conduct certain assessments (e.g. the National Accounts);
 - ii. help to reduce the risk to the delivery of Assessment Reports which would be likely to arise from the loss of experienced members of the Team;
 - iii. have the capacity to manage better the 'treadmill' nature of assessment work for individuals in the Team, and hence be able to give them more varied work;
 - iv. increase our capacity to undertake more Monitoring activity, and to deal with casework more efficiently, and;
 - v. get an independent external perspective on the assessment process, which might help us to develop it further.
3. Such an approach is not without potential downsides, mainly of a practical nature – we would need to ensure that consultants were working to the same set of standards as others in the Team, that IT systems were in place, that face-to-face contacts with the Team were adequate, and so on. In addition there would be an overhead for the Team to train and manage the consultant, and to ensure consistency in report writing. But these issues would seem to be manageable.
4. Responsibility for the content of Assessment Reports prepared with the assistance of consultants would rest with the Monitoring and Assessment Team. This emphasises the importance of ensuring that the Team has adequate support and quality assurance processes in place.
5. We propose therefore that we pilot the use of external consultancy support in a forthcoming assessment. We have a framework contract in place, which includes former senior members of the Government Statistical Service, who we think have the necessary skills. If the Authority Board agrees this approach we would make the necessary contacts and let a simple contract (we would not need to tender formally, under the terms of the framework contract) covering:
 - a. the preparation of an Assessment Report, working alongside an experienced member of the Team, and;
 - b. the production of a brief Report setting out the consultant's views on:
 - i. the Assessment process, including any recommendations to improve it, and;
 - ii. consideration of how we might best make use of external support for Assessment, on an ongoing basis.

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Programme for the Assessment of Existing National Statistics 2010 to 2012

Purpose

1. This paper describes the proposed work programme for assessing existing National Statistics (NS) from 2010 to 2012.

Recommendations

2. The Authority Board is invited to:
 - i. comment on and agree the work programme (**Annex A**), and;
 - ii. approve (subject to any comments received from producers) publication of the programme on the Authority's website as required by section 15(1) of the *Statistics and Registration Service Act 2007*.

Discussion

3. This paper specifies an outline Work Programme, with a view to completing assessment of all existing NS outputs by around the end of 2012. The programme has been informed by input from statistical Heads of Profession (HoPs) who have suggested how we might group their outputs for assessment, and the level of importance and concern about their groups of outputs. In some cases, HoPs also suggested times that would be particularly suitable or unsuitable for assessment.
4. The programme is also based on the streamlined approach to Assessments described in the paper *Further Developments of the Arrangements for Assessment* on the agenda of this meeting [SA(09)51].
5. We have tended to schedule the most important/concerning statistics earlier in the programme wherever possible, as timings allowed. The most notable exception to this is the Assessment of National Accounts outputs. The preferred time for this Assessment is 2012 to take account of ongoing development work. Should the Authority Board decide to commission a Monitoring Review of the adequacy of the UK's National Accounts, as mentioned in the paper *Priorities for Monitoring Reviews*, also on this meeting's agenda [SA(09)53], this would provide an opportunity to undertake a simultaneous assessment of the National Accounts outputs.
6. The future Assessment Programme includes about 230 groups of statistics, with an average group size of 5 outputs. This is in addition to Assessments currently underway. In some cases the groups include existing outputs that have been nominated for first designation as NS. Conversely, some listed NS outputs are no longer produced, or are not suitable for assessment, for example because they should be more appropriately regarded as explanatory documentation or metadata.
7. We have specified the programme for the first year in some detail. The programme for 2011 and beyond is described in less detail. This reflects the constantly changing nature of the range of outputs produced by the statistical system. The Monitoring and Assessment Team expects to receive further requests for first Assessments of new outputs, which will be prioritised alongside re-assessment work. We will discuss the detailed scope and timing with producers closer to the time of each individual Assessment. Consequently, Assessments may not start at exactly the time indicated here, nor have the same composition as currently envisaged. We may therefore revise the programme from time-to-time.

8. In general Assessments are expected to span about three months, although clearly some will take less time, and some may take substantially more. We plan to have about 20 Assessments underway concurrently. This will enable us to manage peaks and troughs in the Assessment cycle effectively. It will also ensure a fairly steady flow of about 20 Assessment Reports (covering about 100 outputs) each quarter. The Assessment Committee can therefore expect to deal with about 15 Assessment Reports on its current schedule of two-monthly meetings. The Authority Board can expect to clear on average seven or eight Reports at its monthly meetings. Existing Assessments will have covered about 150 outputs by March 2010 (including around 50 outputs from the 2001 Census which we will consider to have been dealt with as part of the Special Assessment of Census outputs described in paper [SA(09)51]).
9. In developing the Work Programme, the efficiencies to be gained through assessing groups of statistics together have been accounted for. We have also allowed for the benefit of experience on the time taken to do assessments. As further experience of undertaking grouped Assessments is gained, we may be able to refine our expectations of how long Assessments will take. The programme retains some capacity within the team to undertake monitoring work, and to respond to new requests for assessment and designation.
10. On current plans, the Monitoring and Assessment Team expect to have cleared about 500 outputs in total by the end of 2010, 900 in total by the end of 2011, and the whole programme by early 2013.
11. Producers have been asked to review the provisional programme. The programme is therefore subject to further refinement, in particular as we check that we have interpreted their suggestions for importance, concern and timing appropriately.

Mark Pont, Monitoring and Assessment Team, October 2009

List of Annexes

Annex A Assessment Work Programme 2010 to 2012

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Annex A - Assessment Work Programme 2010 to 2012

This document has been published on the UK Statistics Authority website.

To view the document go to:

<http://www.statisticsauthority.gov.uk/assessment/programme-of-assessment/index.html>

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***Draft Specification for the Monitoring Review of Pre-release Access
and Other Priorities for Monitoring Reviews***

Purpose

1. This paper presents covers a draft Specification for the Review of Pre-Release Access (PRA) Arrangements, and proposals for other upcoming Monitoring Reviews to be undertaken by the Authority's Monitoring and Assessment Team.

Timing

2. If the Authority Board endorses the proposals, an announcement will be published on the website as soon as possible.

Recommendations

3. Members of the Authority are invited to:
 - i. comment on the draft Specification of the Monitoring Review on Pre-Release Access Arrangements (paragraph 6 and **Annex A**);
 - ii. consider the list of suggested topics for Monitoring Reviews (paragraphs 9, 10), and;
 - iii. consider and comment on the proposal for work to be carried out during the remainder of 2009 and the first half of 2010 (paragraph 15).

Discussion

4. The Authority published a list of intended and potential Monitoring Reports, firstly on 4 July 2008, in more depth on 10 October 2008, and revised on 28 February 2009 (**Annex B**). The first four Reports have been published - consultation on the *Code of Practice*; the Report on the consultation; the Priorities for Designation as National Statistics; and the review of Migration Statistics. Work is continuing on two Reports:
 - i. *Barriers to Trust in Crime Statistics* - a draft interim Report will be presented to the Authority Board in November, with a view to publication later that month. Various follow-up action after that will be undertaken ahead of publication of a final Report after Christmas, and;
 - ii. *Strengthening the User Voice* - a number of strands of work are in hand including the survey of the views of opinion-formers and the survey of public views on trust and related issues.
5. The Monitoring and Assessment Team is now reviewing the proposed Reports that could be put in hand next.

Pre-Release Access Arrangements

6. The Authority has committed to beginning this Review towards the end of 2009. The Authority is aware that the Cabinet Office is also planning to review the Pre-Release Access (PRA) regime, and that the Scottish Government is also reviewing its *PRA Order*, though timings of these reviews are not known. The draft Specification of the Authority's review (Annex A) will collect and report on the factual evidence about the working of the new PRA regimes. The Monitoring and Assessment Team would then prepare a draft Report for the Authority by March 2010, discussing the issues and setting out an updated statement of Authority policy on the subject, informed by the factual evidence.

Communicating the Measurement of Inflation

7. We had anticipated scoping this review earlier in 2009, and publishing the Report by the end of the calendar year, but instead reprioritised to give greater focus to Assessment activity. It is now intended to bring a draft Specification of this review to the December meeting of the Authority Board, with a view to publication by mid 2010.

Adequacy of Environmental Statistics to Inform Public Debate and Government Policy

8. A draft Specification of this review will be presented to the December meeting of the Authority Board. We propose to tender the production of a Report from independent experts, and to publish this along with a brief covering Report by the Authority in the second half of 2010. It would be desirable to publish an interim Report, for consultation, before the meeting of the International Association of Official Statisticians in October 2010 (which will have environmental statistics as its main theme), as this could provide a backdrop against which we can discuss the Report with a wide range of experts. It is likely that the tendering process will need to follow European procurement practices given the likely size of the contract. We will begin to explore the procurement and contractual issues shortly, in order to inform Board discussion in December.

Other Ideas for Monitoring Reviews

9. The Authority Board discussed a 'long list' of suggestions for Monitoring Reports in June 2008 [SA(08)23]. This list included the following topics:
 - i. the use of Official Statistics to measure performance against major government targets;
 - ii. the future of the Census post 2011;
 - iii. house price indices (now being considered in the context of housing market data by the National Statistician);
 - iv. statistical coherence between the four UK administrations;
 - v. adequacy of regional economic statistics;
 - vi. progress on the measurement of government output and productivity;
 - vii. classification procedures;
 - viii. quality of statistical commentary/analysis, and;
 - ix. the publication hub - a review of progress and alignment with the Authority's objectives.
10. We have also identified two further candidates for Review.
 - i. The adequacy of the UK's National Accounts / the fitness-for-purpose of the UK's economic statistics - in the context, for example, of the recent report of the Stiglitz Commission which made recommendations for new ways to measure economic progress that rely less on the standard macro-economic indicators such as GDP and more on measures of 'individual well-being'.
 - ii. Access to statistics - whether current approaches to the dissemination of Official Statistics meet the needs of users and potential users. This is a long-standing concern of the Statistics User Forum (SUF) among others. There are a number of separate elements. One of SUF's priorities is for producers to further help non-experts to find and use data that have been published. For example, SUF has suggested that departments should create 'statistics access teams' to help users, and that data should be packaged in a range of convenient formats. A report might also look at the scope to use advanced web-based approaches to managing data to help users identify quickly all the statistical information from official (and perhaps other) sources that is available on a particular topic - such an approach might be considered an extension of the Publication Hub. It could also look at routes to integration of different statistical data within a framework that would support flexible

analysis over different geographies and time.

11. However before considering a Report on Access to Statistics, we would suggest two smaller pieces of research. First, an exercise akin to a 'mystery shopper' review, to identify how straightforward, or otherwise, it is currently to find and put together published statistics on a handful of topics of interest to users. The Statistics Commission reported on a similar exercise commissioned from IPSOS/MORI in 2006, in "Data on Demand - Access to Official Statistics" (Report No. 34). **Annex C** provides more detail about the Commission's approach. Second, a review of relevant developments internationally, with a view to learning from existing best practice.

Smaller Scale Monitoring Work

12. The Monitoring and Assessment Team produces two main types of monitoring outputs: Monitoring Reports and Notes. Letters and other research in response to casework are also produced. In that sense, there is a lot of more small scale monitoring work already being done and there is a trade-off between these different outputs. One question for consideration is whether to make more use of the smaller formats (perhaps by breaking up a larger review into several parts each to be published separately), or whether to devote greater resource to the major Reports.

Resources

13. The Monitoring and Assessment Team has been building staff and expertise over three sites since its establishment in the first half of 2008. Monitoring work has been led from the London office, by the three team leaders with high-level support from the Director of the Assessment Programme and the Head of Assessment, while the Newport and Edinburgh Teams have taken the lead on formal assessment activity (with the Edinburgh team leading on Assessments in the Devolved Administrations). We believe that it would be helpful from a staff development and retention perspective if the staff at all three sites had a workload that involved both monitoring and assessment activity. This is our current aim.
14. Once all three sites are working at full capacity we expect to be able to work on three main monitoring reviews at the same time, and possibly more depending upon other priorities. The proposed greater use of external consultants is not resource-neutral for the Team, but would significantly improve capacity.
15. Consequently, we propose that the following work is carried out during the remainder of 2009 and the first half of 2010:
 - i. continuation of '*Barriers to Trust in Crime Statistics*' with a view to publication of the final Report in late February/early March 2010;
 - ii. continuation of '*Strengthening the User Voice*' with a view to publication of the final Report in Spring 2010;
 - iii. preparing a draft Report on '*Pre-Release Access Arrangements*', with a view to the publication of a Report in the New Year;
 - iv. commissioning two scene-setting reviews (paragraph 11) to inform thinking about *access to statistics*, with a view to reporting back to the Authority Board by July 2010;
 - v. scoping the review of the '*Communication of the Measurement of Inflation*' with a view to publication of the Report by Autumn 2010;
 - vi. scoping the review of the '*Adequacy of Environmental Statistics*' with a view to publication of the Report by the end of 2010, and;
 - vii. start-up of two more Monitoring Reports in Summer 2010 on issues to be identified by the Authority Board.

Richard Laux, Monitoring and Assessment Team, October 2009

List of Annexes

- Annex A** Draft Specification: '*Pre-Release Access Arrangements*' Monitoring Review
- Annex B** Authority Announcements on Monitoring Reports: 4 July 2008; 10 October 2008, and; 26 February 2009
- Annex C** Statistics Commission/IPSOS MORI "Mystery Shopper" - Approach Adopted

Annex A Draft Specification: 'Pre-Release Access Arrangements' Monitoring Review

Purpose of the Review

1. This review of Pre-Release Access practice aims to:
 - i. to collect evidence of the impact and efficacy of the *Pre-Release Access to Official Statistics Orders* in England, Scotland and Northern Ireland and current practice within Wales, and;
 - ii. to make recommendations of the changes to the pre-release access regimes that are required to make the statistical system trustworthy.

Background

2. Under the provisions of the *Statistics and Registration Service Act 2007*, Cabinet Office Ministers and Ministers in the Devolved Administrations are responsible for determining the principles and rules governing pre-release access to Official Statistics in their final form before publication. These are set out in a series of *Pre-Release Access to Official Statistics Orders* for the Official Statistics produced by the UK Government, Scottish Government and Northern Ireland Assembly. The Welsh Assembly Government is currently developing its equivalent *Order*. The UK Statistics Authority treats these *Orders* as an integral part of the *Code of Practice for Official Statistics* and assesses Official Statistics for compliance with the provisions of these *Orders*.

3. Sir Michael Scholar made the following statement at the time the draft *Pre-release Access Order* was laid before the UK Parliament in October 2008:

"The *Order* is a welcome step forward in that it formally restricts pre-release access for the first time. But in the view of the Statistics Authority it still leaves government departments and ministers too much latitude. A system which continues to grant pre-access to statistics to ministers and officials, but not to other people, is unlikely to further our aim of promoting public trust in the statistical service."

"The Authority's draft *Code of Practice*, the subject of a recent public consultation, promotes the principles of equality of access to statistics and the release of statistics at the earliest possible opportunity. Pre-release access sits uncomfortably alongside these principles and must be kept to the minimum."

"The Authority now wants to see government departments using the flexibility given to them in the *Order* progressively to reduce the amount of time that pre-release access is granted, and the number of individuals to whom privileged access is given."

"More generally, the Authority notes that the equivalent *Order* before the Scottish Parliament is different from the *Westminster Order* in important respects. The Authority hopes that there will be a fresh debate across the UK administrations about whether, and why, pre-release access to Official Statistics should be regarded as undesirable."

4. At this time, the Authority committed to conducting a review of the impact of the new pre-release access arrangements twelve months after their introduction.
5. The Authority is concerned about the differences in practice within the UK and devolved administrations. The *Order for Scotland* differs in substantial terms from the arrangements for the UK and Northern Ireland, both with respect to coverage and maximum period of access. The maximum allowable time for pre-release access (PRA) of UK-wide and wholly devolved Northern Ireland Official Statistics is 24 hours (except in exceptional circumstances). In contrast the Scottish Order allows a maximum period for access of five working days for non-market sensitive statistics and is restricted to those Official Statistics designated as National Statistics or put forward for designation (under

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section 12 of the *Statistics and Registration Service Act 2008*).

6. The draft *Welsh Order* broadly mirrors the arrangements for Scotland. In responding to the consultation on the Welsh pre-release order in August 2009, the Authority emphasised its view that:
 - i. Pre-release access is inconsistent with principles of equal access to, and earliest possible release of, Official Statistics, and;
 - ii. Pre-release access increases the risk of leaks and undue influence over the statistical product ahead of its publication.
7. The Authority has made clear that it would like to see a reduction in the amount of time given for PRA by departments. This PRA review will be concerned primarily to see whether a reduction in pre-release access has taken place and whether the *Orders* have affected trust in Official Statistics.

Scope of the Review

8. The Report will need to consider the effectiveness of the arrangements adopted in each of the administrations based on:
 - i. discussions with Official Statistical producers, policy makers and press officers within central government, the devolved administrations and others;
 - ii. consideration of some recent breaches and the underlying circumstances;
 - iii. evidence gathered in the Interviews of Selected Opinion Formers (ISOF) and Survey of Public Confidence in Official Statistics (PCOS), and;
 - iv. discussions with international statistical leads on their experiences and views of pre-release access.

Conduct of the Review

9. The Monitoring and Assessment Team will project manage the Review, gather the appropriate information and produce the Monitoring Report.
10. The Project Team will conduct interviews with statistical producers from different types of organisation (central government, devolved administration, etc) to identify their PRA practice and the observed impact on the organisation.
11. The Authority has commissioned ISOF and PCOS as part of the separate monitoring review, '*Strengthening the User Voice*'. These surveys will address specifically the issue of trust and pre-release access to Official Statistics, and gather views from a wide range of user types: members of Parliamentary select committees, the media, academics, business community, local government think tanks and advisory bodies.
12. A Project Team will oversee the Monitoring Review, chaired by the Head of Assessment. We propose that the Project Team meet at least twice: at the commencement of the project, and to discuss the draft report. The Monitoring and Assessment Team will circulate the draft Report for comment, including to the Authority Board and others as appropriate.

Timetable

13. Work on the Report will start following approval of the Specification at the Authority Board meeting on 16 October 2009. The Project Team will then undertake a review of PRA by departments and devolved administrations. The aim will be to request information from a sample of departments by end-November, with completion of the Report by early New Year.

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14. The Project Team may refresh the picture of international PRA practice and review the evidence from ISOF and PCOS as the data become available. The Team will draft the Monitoring Review Report and circulate the Report for discussion by the Authority Board in the New Year.

Monitoring and Assessment, UK Statistics Authority, October 2009

Annex B - Authority Announcements on Monitoring Reports: 4 July 2008, 10 October 2008 and 26 February 2009

These documents have been published on the UK Statistics Authority website.

To see the documents go to:

4 July 2008

<http://www.statisticsauthority.gov.uk/news/assessment-programme-and-authority-monitoring-reports.doc>

10 October 2008

<http://www.statisticsauthority.gov.uk/news/reports-from-the-authority-s-m-a-team---update-no-1.pdf>

26 February

2009<http://www.statisticsauthority.gov.uk/news/reports-from-the-authority-s-monitoring---assessment-team---update-no--2.pdf>

Mystery Shopping Topics for Ipsos MORI Research

This is a list of topic questions for use in the mystery shopper research. Questions are grouped by National Statistics theme, with at least one question per theme.

Agriculture, Fishing and Forestry

1. Farms, Farmers and Farm Workers (England).

How many farms (holdings) are there currently in England? How many farmers are there?
How many farm workers are there?

Commerce, Energy and Industry

2. Domestic Energy Consumption and Prices (UK).

How has domestic consumption of the main fuels (gas, electricity, oil and coal) changed over the last 5 years? How have domestic prices for the main fuels moved over that period?

3. Fatal Injuries at Work (GB).

How many fatal injuries have there been in the construction industry in Great Britain over the last 10 years? How has the number of injuries changed relative to the number of employees?

Crime and Justice

4. Violent Crime (England and Wales, Scotland, Northern Ireland).

What has been the trend in violent crime in England and Wales over the past 5 years? Find comparable figures for Scotland and for Northern Ireland.

5. Prison Population (England and Wales, Scotland, Northern Ireland).

What has happened to the prison population of England and Wales the past 5 years? Find comparable figures for Scotland and Northern Ireland.

Economy

6. Public Expenditure by Region.

How does the level of public expenditure in Scotland compare with the level in the South West region of England? What does the comparison look like in terms of public spending per head?

7. Inflation Rates (UK).

What is the current rate of inflation (consumer prices)? How have prices moved over the past 12 months for (a) food; (b) clothing; (c) new cars ?

Education and Training

8. GCSE Results (England, Wales, Scotland).

What percentage of children in England have gained five or more GCSEs by the end of 'Key Stage 4? (Figures for latest available year). What percentage have gained five or more GCSEs at grades A* to C? What are the equivalent percentages in Wales and in Scotland? [NB. Scottish equivalents: SCGF level 5 or better for GCSE A*-C]

9. Pupil-Teacher Ratios (England, Wales, Scotland, Northern Ireland).

How many pupils are there per qualified teacher (primary and secondary schools) in England, in Wales, in Scotland and in Northern Ireland?

Health and Care

10. Smoking Prevalence (Great Britain, Northern Ireland).

How many smokers are there in Great Britain, as a percentage of the population (16 and over)? How many in Northern Ireland? How has the number of people smoking changed over the past 10 years?

11. Hospital Waiting Lists (England, Wales, Scotland, Northern Ireland).

Over the past year, what proportion of the people admitted to hospital as inpatients or treated as day surgery cases had been on a waiting list for treatment for three months or more? Find figures for each UK country.

Labour Market

12. Unemployment Rate (UK and Regions).

What is the current unemployment rate for the UK? What is the rate for Scotland? For Northern Ireland? For the South West region of England? How has unemployment changed over the past 5 years?

Natural and Built Environment

13. Social Housing Meeting Housing Quality Standards (England, Scotland, Wales).

What proportion of social or council housing in England currently meets the “decent homes standard” (as defined by the Department for Communities and Local Government)? What are the equivalent proportions for Scotland and Wales? (based on Scottish and Welsh Housing Quality Standards) How do these figures compare with 10 years earlier?

Population and Migration

14. Population Projections (UK).

What is the UK population projected to be in 2011? How many of that population will be children aged under 16? Can you find projections or forecasts for the number of children aged under 1 in the UK for each year up to 2015?

15. International Migration Flows (UK).

What are the latest figures for international migration into and out of the UK? Give separate figures for immigration, emigration and net migration. What have been the trends in migration over the past 5 years?

Social and Welfare

16. Household Income Distribution (UK).

What was average household income (£ per week) for the bottom 20% of households (ranked by income), (a) measured before housing costs, and (b) measured after housing costs? What were the equivalent figures for the top 20% of households? How has household income changed over the previous 10 years, for both groups and on both measures?

17. Incapacity Benefit Claimants (England, Wales, Scotland, Northern Ireland).

How many Incapacity Benefit claimants are there in each UK country? How has the number of claimants changed over the past 5 years?

18. Occupational Pension Schemes (UK).

How many occupational pension schemes (both private and public sector) are there in the UK that are open to new members? How many active members do these schemes have?

Transport, Travel and Tourism

19. Bus Passenger Journeys (GB).

How many bus passenger journeys were there in Great Britain in the past year? How many of these were in London? What has been the trend in bus passenger journeys (GB) over the past five years? Has the trend differed much between different parts of the country?

Other National Statistics

20. Ministry of Defence Personnel – Armed Forces and Civilians (UK).

How many people are there currently serving in the UK armed forces? What is the strength or size of the Army? Of the Royal Navy? Of the RAF? How many civilians work for the Ministry of Defence and its agencies?

Core Questionnaire for Ipsos MORI Research on Each Topic

Question #1 *required*

As far as you know, have you correctly answered the questions?

- Yes
- No
- Don't know

Question #2 *required* Question

Where did you find the answers? (Please list up to 3).

{Text Response}

Question #3 *required* Question

Which website was your primary source of information?

{Text Response}

Question #4 *required* Question

How much, if at all, do you trust this primary source, as a source of this type of information?

- A great deal
- A fair amount
- Not very much
- Not at all
- Don't know

Question #5 *required* Question

In general, how easy or difficult was it to find the information you needed?

- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Don't know

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Question #6 *required* Question

What if anything, would have made it easier to find?

{Text Response}

Question #7 *required* Question

How easy or difficult was it to understand the information you found?

- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Don't know

Question #8 *required* Question

What, if anything, would have made it easier to understand?

{Text Response}

Question #9 *required* Question

Overall, how satisfied were you with the process of finding the information?

- Very satisfied
- Fairly satisfied
- Neither satisfied nor dissatisfied
- Fairly dissatisfied
- Very dissatisfied
- Don't know

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**Assessment Report - Statistics on Children Looked After by Local Authorities
in England**

This document has been published on the UK Statistics Authority website.

To see the document go to:

<http://www.statisticsauthority.gov.uk/assessment/assessment-reports/assessment-report-13--children-looked-after-in-england--22-october-2009.pdf>

UK STATISTICS AUTHORITY

SA(09)54

**Assessment Report - Statistics on Children Looked After by Local Authorities
in Scotland**

This document has been published on the UK Statistics Authority website.

To see the document go to:

<http://www.statisticsauthority.gov.uk/assessment/assessment-reports/assessment-report-14--children-looked-after-in-scotland--22-october-2009.pdf>

UK STATISTICS AUTHORITY

SA(09)54

**Assessment Report - Statistics on Children Looked After by Local Authorities
in Wales**

This document has been published on the UK Statistics Authority website.

To see the document go to:

<http://www.statisticsauthority.gov.uk/assessment/assessment-reports/assessment-report-15--children-looked-after-in-wales--22-october-2009.pdf>

UK STATISTICS AUTHORITY

SA(09)54

**Assessment Report - Statistics on Children Looked After by Health and Social
Care Trusts in Northern Ireland**

This document has been published on the UK Statistics Authority website.

To see the document go to:

<http://www.statisticsauthority.gov.uk/assessment/assessment-reports/assessment-report-16--children-looked-after-in-northern-ireland--22-october-2009.pdf>

UK STATISTICS AUTHORITY

SA(09)55

A National Address Register: Further Correspondence

Purpose

1. This paper reports on developments since the last meeting regarding the Authority's call for the development of a national address register.

Recommendations

2. Members of the Authority Board are invited to note further developments and to indicate what further action, if any, should now be taken.

Discussion

3. At the meeting on 19 June 2009, the Authority agreed that the Chair should write to the Government regarding the Authority's views on the need for the development of a national address register. The Chair wrote on 8 July 2009 and his letter was published later that day on the Authority's website. At the meeting on 11 September 2009 the Authority noted that there had been six interventions from other bodies in support of the Authority's position but there had not, at that time, been a response from the Government. The Authority agreed that, in the light of the contributions to the debate from other bodies, the Chair should write a further letter to the Government.
4. On 14 September 2009 the Chair received a copy of a letter dated 8 September 2009 from Mr Alex Clarke OBE, FRSS of Concensus Statistical and Programme Consultants to Dr Tony Wright, Chair of the Public Administration Select Committee. Mr Clarke's letter, which supported the case for the creation and maintenance of a national address register, was also copied to the Cabinet Secretary, Sir Gus O'Donnell. The Chair replied to Mr Clarke on 22 September 2009 and thanked him for his helpful observations.
5. The Chair wrote a further letter to Rt. Hon. John Healey MP, Minister of State for Housing and Planning on 25 September 2009 in which he referred to the support from other bodies and restated the Authority's position on the need for the establishment of a national address register. A letter dated 23 September 2009 was received on 29 September 2009 from Lord McKenzie of Luton, Parliamentary Under Secretary of State at the Department for Communities and Local Government, which sets out the Government's response.

Mervyn Stevens, Secretariat, October 2009

List of Annexes

Annex A - Further Correspondence on the National Address Register



Concensus Statistical and Programme Consultants

Davenport Chapel Road
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Southampton
SO32 2QB
United Kingdom

Phone: +44 1489 896829
Mobile 07810718007
Email: concensus@tiscali.co.uk

8 September 2009

Sir Gus O'Donnell

Sir Michael Scholar

National Address Register

As discussed last week I enclose a copy of my letter to Dr Tony Wright, Chair of the Public Administration Select Committee.

Yours sincerely

Alex Clark OBE, FRSS



Concensus



Concensus Statistical and Programme Consultants

Davenport Chapel Road
Swanmore
Southampton
SO32 2QB
United Kingdom

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Dr Tony Wright
Chair Public Administration Select Committee

8 September 2009

Dear Dr Wright

National Address Register

I am writing to you to support the case for the creation and maintenance of a National Address Register to meet the needs set out by Sir Michael Scholar in his letter to John Healey MP and your subsequent support for a Register in your letter of 14 July 2009 also to John Healey.

I have a professional interest in the creation of such a Register both from my previous experience as a Director in the Office for National Statistics before I retired from the Civil Service and also as the consultant contracted by the Office of the Deputy Prime Minister (and then DCLG) to lead the creation of a specification for the National Spatial Address Infrastructure (NSAI).

The NSAI would have met the current requirement for a National Address Register for not only England and Wales, but also for the UK as a whole, as broad agreement had been reached to include modules for Scotland and Northern Ireland. It would have been a prime and invaluable asset for UK plc for the supply and management of a wide range of Government Services, Local Government Services and commercial businesses. The cost would have been relatively minor in relation to the overall cost of activities in these sectors and the additional funds that are now being committed for activities like the 2011 Census and the Fire and Rescue Service, and I am sure that there are a number of other examples. The benefit would be huge, although a detailed business case was never commissioned.

The specification for the NSAI was derived from a wide-ranging consultation with users throughout Government, Local Government and a number of commercial businesses. A prospectus was issued to set out the case for the NSAI, options for development and to solicit comment on the draft specification and approach to development. Subsequently I chaired a number of meetings of Government Departments and met the Local Government address custodians to finalise the specification. The basis for a national register was in place in 2007 and it would not take much effort to seek views and update it for any changes or new requirements that have emerged in the intervening period.



Concensus

The project went as far as preparing and agreeing the mechanism for steering the developing of the NSAI to ensure that it would be developed in line with the specification agreed after consultation and also to accord with Government policy and direction for the development of the e-Government Infrastructure.

As you know this initiative fell by the wayside because of issues over the Intellectual Property Rights and business models of the main players, Ordnance Survey, Royal Mail and Local Government. However, it was not far from being implemented and may well have succeeded had it had a more decisive and funded high-level push from the centre. An early effort at reconciliation and bringing the parties together was carried by HM Treasury but then ODPM was seen as the lead agency because of its links with Local Government and as the sponsoring Department for Ordnance Survey, but despite greasing the wheels with some additional funding, an agreement could not be reached for Ordnance Survey to take the lead and fund the development.

I know that some progress has been made since all of this unfolded in 2007, but only at a high cost to public funds. The main address databases are still held and maintained separately and users are forced to make a choice of which one to use and then supplement the base material with their own input. Some of this would have been necessary even with a national register, but the level of extra effort would be far less and the scope for error and differences removed.

A single core database that could be used as the base for meeting user requirements makes so much sense that it is hard to understand why there has not been top level intervention to cut across the differences between the parties and dictate a solution. My view is that the lead should come from e-Government, as the register is central to its aims.

I mentioned my views to Sir Gus O'Donnell and Sir Michael Scholar in London last week and they encouraged me to write to you. I have copied this letter to both of them for information.

I would be happy to meet you to discuss my view, if you think that a short meeting would help.

Yours sincerely

AM Clark OBE, FRSS

Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Mr Alex Clark OBE, FRSS
Consensus Statistical and Programme Consultants
Davenport Chapel Road
Swanmore
Southampton
SO32 2QB

22 September 2009

Dear Alex

NATIONAL ADDRESS REGISTER

Thank you for copying to me your letter of 8 September to Dr Tony Wright MP.

It is particularly helpful at this time to have your authoritative recollections on the progress made towards the goals of the National Spatial Address Infrastructure project and on the reasons the project was closed down in 2007.


Your observations about the nature of the hurdles that blocked the project do indeed suggest that a well aimed push at the highest political level could still make all the difference and enable the public service to deliver a more efficient and effective addressing infrastructure for the UK as a whole.

As you know there has been substantial support for the proposal that there should be a new government initiative to establish a national address register and, as far as we are aware, no arguments have put forward by any of the parties to suggest that this would be unwise or unaffordable.

The UK Statistics Authority is convinced that the public interest would be served by investment in such a register and will continue to press the case publicly.

Thank you again for taking the trouble to write to us. I am copying this letter to Sir Gus O'Donnell and to Dr Tony Wright MP.

Yours sincerely



Sir Michael Scholar KCB

Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Rt. Hon. John Healey MP
Minister of State for Housing and Planning
Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

25 September 2009

Dear Minister

ESTABLISHING A NATIONAL ADDRESS REGISTER

In my letter to you of 8 July, I set out the case for tackling afresh the obstacles that got in the way of earlier initiatives to establish a National Address Register.

I noted in that letter the substantial investment that the Office for National Statistics is making in the development of a special one-off register that it needs for the 2011 Census. This expenditure is a direct consequence of inadequate address data being available from existing sources. Unless government departments take steps to build on the ONS work, this one-off register will almost immediately become out of date.

The raw information on address comes mainly from the Royal Mail, Ordnance Survey and local government administrative records. It is these bodies, and the government departments that have responsibility for them, that would need to make the running on any new initiative. ONS would not be in a position to maintain a register in the longer term.

My letter prompted a number of supportive letters and statements including ones from the Chair of the Public Administration Select Committee, the Royal Statistical Society, the Improvement and Development Agency, Ordnance Survey and the Association of Regional Observatories. Both Sir Rob Margetts, on behalf of Ordnance Survey and Councillor Ian Swithenbank, on behalf of IDeA, strongly supported the need for a central government initiative to resolve the obstacles at this time.

I have not heard any voice raised against the proposal although there is clearly still some uncertainty as to the possible costs associated with a resolution of this issue.

Annex A - SA(09)55 - A National Address Register: Further Correspondence

In that context, I would simply reiterate that we firmly believe that government departments including the Office for National Statistics, local authorities, public services, emergency services, utilities, voluntary and commercial bodies would all benefit directly from savings in not having to deal day-to-day with problems created by incomplete and conflicting address data. That is a most substantial body of benefits to be set against the possible costs.

If the UK Statistics Authority can contribute to the preparation or examination of a full business case we would be happy to do so.

I am copying this letter as my original one.

Yours sincerely

A handwritten signature in black ink that reads "Michael Scholar". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Sir Michael Scholar KCB



Sir Michael Scholar KCB
UK Statistics Authority
Statistics House
Islington
London
EC1R 1UW

Lord McKenzie of Luton
Parliamentary Under Secretary of State

Department for Communities and Local Government

Eland House
Bressenden Place
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Our Ref: JH/LM/020498/09

23 SEP 2009

Dear Sir Michael

ESTABLISHING A NATIONAL ADDRESS REGISTER

Thank you for your letter of 8 July to the Rt Hon John Healey MP. Your letter has been passed to me for reply.

As you note, this Department concluded in June 2007 that it would not carry out any further work on a National Spatial Address Infrastructure. This position has not changed.

I am pleased that ONS has made good progress to ensure a high quality address register for the census. It will be important to consider what long term lessons can be learned from this work. As you say, the potential uses of an address register do of course go much wider than purely statistical applications.

I also note that the Improvement and Development Agency, who are supportive of a single national address register, are now discussing this with Ordnance Survey. This matter is being led at the most senior level in these organisations and discussions are due to conclude by October this year. We will, together with Cabinet Office, take stock in the light of these positive developments.

I am copying to Angela Smith MP, Minister of State at the Cabinet Office; Phil Woolas MP, Minister of State for Borders and Immigration; Sarah McCarthy-Fry MP, Exchequer Secretary to the Treasury; Ian Pearson MP, Economic Secretary to the Treasury; and Tony Wright MP, Chair of the Public Administration Select Committee.

UK Statistics Authority
London

29 SEP 2009

Received

Yours Sincerely
Bill McKenzie

BILL MCKENZIE



Lord McKenzie of Luton
Parliamentary Under Secretary of State

Department for Communities and Local Government

Eland House
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Our Ref: LM/023178/09

Rosie Paskins
Association of Regional Observatories
Regeneration East Midlands
Unit 8, Provident Works
Newdigate Street
Nottingham
NG7 4FD

23 SEP 2009

Dear Rosie

Thank you for your letter of 24 August to the Rt Hon John Healey MP, supporting the case for a continuously maintained National Address Register. I have been asked to reply.

✓ I have responded to Sir Michael Scholar and I attach a copy of my response.

I am copying this letter to Sir Rob Margetts CBE, Non-Executive Chair of OS; Sir Michael Scholar KCB, Chair of the UK Statistics Authority; and Dr Tony Wright MP, Chairman of the Public Administration Select Committee.

Yours sincerely
Bill McKenzie

BILL MCKENZIE



Lord McKenzie of Luton
Parliamentary Under Secretary of State

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Our Ref: JH/LM/021030/09

Councillor Ian Swithenbank CBE
Chairman
Improvement and Development Agency (IDeA)
Layden House
76-86 Turnmill Street
London
EC1M 5LG

23 SEP 2009

Dear Councillor Swithenbank,

ADDRESS MANAGEMENT

Thank you for your letter of 28 July to the Rt Hon John Healey MP. Your letter has been passed to me for reply.

I have now replied to Sir Michael Scholar and attach a copy of my response.

I note that you are supportive of a single national address register and are now discussing this with Ordnance Survey. I hope that you are able to reach a successful conclusion.

I am copying this letter to Sir Rob Margetts CBE, Non-Executive Chair of Ordnance Survey; Sir Michael Scholar KCB, Chair of the UK Statistics Authority; and Dr Tony Wright MP, Chairman of the Public Administration Select Committee.

Yours Sincerely
Bill McKenzie

BILL MCKENZIE

Lord McKenzie of Luton
Parliamentary Under Secretary of State

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Our Ref: LM/021750/09

Sir Rob Margetts CBE
Ordnance Survey
c/o MatlinPatterson
7th Floor, Buchanan House
3 St James's Square
London
SW1Y 4JU

23 SEP 2009

Dear Sir [Signature]

Thank you for your letter of 4 August to the Rt Hon John Healey MP, considering proposals for the establishment of a single national address register. I have been asked to reply.

- ✓ I have replied to Sir Michael Scholar and I attach a copy of my response. I have also copied you in on correspondence on this matter from Councillor Ian Swithenbank, Chairman of the Improvement and Development Agency.

I note that you are supportive of a single national address register and are discussing this with the Improvement and Development Agency. I hope that you are able to reach a successful conclusion.

- ✓ I am copying this letter to Councillor Ian Swithenbank, Chairman of the IDeA; Sir Michael Scholar KCB, Chair of the UK Statistics Authority; and Dr Tony Wright MP, Chairman of the Public Administration Select Committee.

Yours sincerely
[Signature]

BILL MCKENZIE

UK STATISTICS AUTHORITY

SA(09)56

Transfers of Statistical Work: Practical Considerations

Purpose

1. This paper explores the practical considerations of transferring statistical work from other government departments (OGDs) to the Office for National Statistics (ONS).

Timing

2. Routine.

Recommendation

3. Members of the Board are invited to note the considerations.

Discussion

4. Over the years there have been several examples of work transferring into ONS. Labour Market Statistics in the mid 1990s has been the highest profile move. Transfers of population projections (from Government Actuary's Department), and construction statistics (from Department for Business, Enterprise and Regulatory Reform) are two more recent examples.
5. There have been two main drivers for these changes:
 - i. the move will improve levels of public trust in a particular set of statistics, and;
 - ii. there is a better strategic fit with the skills, experience and expertise available in ONS - high levels of synergy offer a more efficient approach to production across the Government Statistical Service (GSS) as a whole.
6. In both cases there is a need to be confident that the move would not have a negative effect on levels of trust - not just relating to the set of statistics concerned but to ONS and Official Statistics as a whole. There also needs to be careful consideration given to which part of the process it is appropriate to move - from design and data collection through to analysis and interpretation.
7. Based on previous ONS experience, the most important criteria for deciding on a transfer are:
 - i. is there a synergy with current ONS expertise? For example, ONS is strong in survey work but to date has much less expertise in handling administrative data. How could quality be improved, but, at a minimum, could it be maintained?;
 - ii. is there coherence with current ONS outputs, or the potential to improve coherence?;
 - iii. is there high-level support for the change in the other government department concerned? Projects to take on work from other departments have been more successful where engagement at Permanent Secretary level has been obtained;
 - iv. is the 'total cost' accurately discernible and, if so, is it favourable? For example, with IT costs there are always significant issues in taking over a system which had previously been operated by another department. A full analysis of costs needs to be undertaken, but the experience is that full costs are never fully covered by transfer;
 - v. does the move align with ONS corporate strategies, eg on location and headcount?;
 - vi. does the move risk management over-stretch in ONS, given that any move can have a considerable effect?;
 - vii. would time series be able to be maintained?, and;
 - viii. could required methodological improvements be achieved in a reasonable time?

8. Many statistics produced by Departments are linked to administrative systems, as opposed to the free standing surveys often conducted by ONS for statistical purposes only. To maintain quality, ONS would need to have control over relevant parts of these processes and be involved in the design of systems and the quality control of data. However, the Department's support would be needed as they will often have most leverage over data suppliers.

Jil Matheson, National Statistician, October 2009

UK STATISTICS AUTHORITY

SA(09)57

Procedure and Conduct during a General Election

Purpose

1. This paper puts forward initial proposals in respect of procedures and guidelines for the conduct of Authority members and officials during a General Election campaign. It also invites Authority members to discuss the nature of such principles as they may apply to the Authority operating in its scrutiny mode as distinct from its other functions and responsibilities.

Timing

2. Pressing. Parliament may be dissolved and a General Election called at any time. An early discussion of the procedures and guidelines would ensure these are in place and disseminated to all concerned well in advance.

Recommendations

3. Members of the UK Statistics Authority are invited to:
 - i. note the relevant extracts of guidance prepared for the 2005 General Election (**Annex A**). The full guidance is available online at: http://www.cabinetoffice.gov.uk/media/cabinetoffice/propriety_and_ethics/assets/electguide.pdf and copies can be provided to Authority members on request;
 - ii. consider and comment on the initial proposals set out at paragraphs 4 to 18 below;
 - iii. consider the merits of publishing a statement on the Authority website setting out the Authority's positions on questions of statistical policy (see paragraphs 17 to 18 below), and;
 - iv. invite the National Statistician to provide an oral update in due course on plans for the publication of revised Cabinet Office guidance, including detailed guidance on statistical activities during an election period.

Discussion

4. The UK Statistics Authority is a non-ministerial department that reports directly to the UK Parliament and the devolved legislatures on the exercise of its functions as set out in the Statistics Act. It is governed by a Board which includes a non-executive Chair whose appointment was subject to pre-appointment scrutiny and confirmation by Parliament, and a majority of non-executive members who are not civil servants.
5. Under the provisions of the *Parliament Act 1911*, the maximum duration of a Parliament is five years. The current UK Parliament was summoned on Wednesday 11 May 2005, meaning Parliament must be dissolved before or on Monday 10 May 2010. According to the timetable set out in the *Representation of the People Act 1983*, the period between the proclamation of a Dissolution of Parliament and a General Election is fixed at 17 working days (i.e. excluding weekends and public holidays), meaning the latest possible date for a General Election is Thursday 3 June 2010. Parliament may be dissolved at any time before that date. In addition, the Prime Minister may announce that he has sought a Dissolution at any time before a proclamation is made, and the interval between such an announcement and Dissolution can vary considerably. For example, the interval in 1997, 2001, and 2005 was 22 days, 3 days, and 6 days respectively.
6. In practice, an election campaign is preceded by a substantial period of campaigning by the political parties involved, where inter-party competition results in a sharp rise of media activity, political analysis and heightened debate within the parliamentary arena and beyond. While it is impossible to put a date on when campaigning begins, it is likely to start in earnest before the end of 2009. Indeed, some commentators have suggested that campaigning has already begun.

7. General Elections have a number of implications for Departments and Agencies, and the civil servants working in them. These arise from the special character of Government business during an election campaign, and from the special need to maintain, and be seen to maintain, the impartiality of the Civil Service. The principles underlying the conduct of civil servants in a General Election are simply an extension of those which apply at all times, as set out in the *Civil Service Code*. The basic principle for civil servants is not to undertake any activity which could call into question their political impartiality, or could give rise to the criticism that public resources are being used for party political purposes.
8. Before recent General Elections, the Cabinet Office has published guidance for civil servants on how to apply these principles during the period of an election campaign, and provided more detailed advice on questions of procedure and conduct in certain areas. It is expected that the Cabinet Office's guidance for the next General Election will be updated and published shortly. The guidance published in advance of the 2005 General Election included advice on:
 - i. dealing with enquiries, Ministerial briefing and other requests for information;
 - ii. the work of Special Advisers;
 - iii. contacts with Opposition parties;
 - iv. contact with Select Committees;
 - v. political activities of Civil Servants;
 - vi. the retention of Cabinet and Official Documents;
 - vii. the taking of Government decisions and the making of appointments;
 - viii. communication (media) activities (extracted at Annex A);**
 - ix. written consultations;
 - x. statistical activities (extracted at Annex A);**
 - xi. use of Government property, and;
 - xii. how the guidance applies (and does not apply) to the Devolved Administrations.
9. All employees of the UK Statistics Authority and those working in the Office for National Statistics are civil servants. Therefore the principles set out in any future revised and updated Cabinet Office guidance will apply to them. In particular, those involved in the production and publication of statistics will be required to follow any detailed guidance regarding statistical activities during the formal election campaign, and similarly those involved in communications activities in respect of the relevant guidance in that area.
10. However, the Chair and the other non-executive members of the Authority are not civil servants, and it is necessary to consider whether, and how, these principles may apply to them, particularly where the Authority is operating in its scrutiny mode as provided for in the *Statistics Act*. The following paragraphs are drafted on the basis that the rules for civil servants, in that they are designed to maintain the impartiality and integrity of the Civil Service, should generally apply to the Authority and to Authority members. Authority members may wish to discuss this point in more detail.
11. The 2005 guidance on statistical activities during the election campaign advises that regular statistical releases (e.g. press notices, bulletins, publications or electronic releases) should continue to be issued and published on dates which have been pre-announced. Ad-hoc statistical releases should be made only where a release date has been published or release during the election campaign has been clearly intended and publicly known when the election is called. Other ad-hoc statistical releases which have not been pre-announced and which may be regarded as politically sensitive should not go ahead. The advice of the relevant departmental Head of Profession for Statistics *and* the National Statistician should be sought where appropriate.

12. The Authority may wish to ensure that, in advance of an election being called, it has pre-announced the dates on which it will publish all Assessment Reports, Monitoring Reports, and other significant reports and publications made in its scrutiny and oversight mode during a period in which a General Election may be held. Other documents which are routinely published and contribute to the Authority's transparency, for example minutes of meetings of the Authority and its committees, updates to the Issues Log, or the publication of correspondence, should continue to be published in the normal way, although caution should be exercised where the content of any of these might call into question the impartiality of the Authority. In the preparation of correspondence, consideration may be given to avoiding writing to Ministers or individuals who otherwise may be seeking (re-)election, instead writing to Permanent Secretaries or the relevant senior official(s).
13. Similarly, Authority members may wish to exercise a degree of caution in respect of publications which are less easy to timetable or predict, for example Monitoring and Assessment Notes, particularly where they are critical of a Minister or their Department, or any other individual or political party involved in the General Election. Press Notices, announcements and other statements (including speeches) could be included in this category, depending on their content. Consideration should be given to delaying the publication of any document which might reasonably be regarded as politically controversial or influential to the outcome of an election until such time as the General Election has been held and the Authority is able to report afresh to the new Parliament once it has assembled for the first time.
14. The nature of election campaigning, both during the formal campaign and before it, may mean that the Authority will be asked more frequently to investigate and comment on issues relating to the production and publication of official statistics. Authority members may wish to discuss the procedures governing how the Authority responds to such requests, and three scenarios - and there will be others - are put forward for discussion alongside a proposed method of handling:

The Authority is asked to comment on the appropriateness or accuracy of a particular official statistic (or series of statistics) used by a political party (or parties), or one of its candidates, during an election campaign

15. The Authority may wish to restrict its response to a brief statement as to what the Authority understands to be the best, and most appropriate, statistical measure in the particular area concerned, alongside any methodological considerations or other guidance which should be taken into account. In reaching such a view, the National Statistician may wish to seek the advice of the relevant departmental Head of Profession.

Inappropriate pressure is put upon statistician(s) working in Departments by Ministers, their advisers, or other departmental officials.

16. The Authority should seek to investigate the matter by establishing whether the advice of the relevant departmental Head of Profession and the National Statistician was sought, and whether the Cabinet Office guidelines in force at that time were followed. An alternative to writing to Ministers in such cases might be to write to the relevant Permanent Secretary or senior official responsible, or to the Cabinet Secretary direct.

The Authority is asked to provide a position on a matter of statistical policy, either about which it has already commented in the past, or on a subject on which it has not previously commented.

17. Authority members may wish to agree a summary statement of positions on particular

SA(09)57 - Procedure and Conduct during a General Election

matters of statistical policy, either drawing on policy positions enunciated before (e.g. pre-release access or the National Address Register), or setting out its initial views on other significant statistical policy aspects. It would be useful for any summary statement to be published before the end of 2009 to enable the Authority to refer the media and other organisations to it during the course of a General Election campaign thereafter.

18. Where an agreed policy position is not available at the time of the enquiry, the matter could be considered by the Authority at the first available opportunity. Where appropriate, a supplementary statement could be made.

Ross Young, Head of Communications & Parliamentary Relations, October 2009

List of Annexes

Annex A *Extracts from Cabinet Office General Election Guidance (2005) - Notes J and H - Statistical Activities and Communication Activities*



CabinetOffice

GENERAL ELECTION GUIDANCE 2005

***Produced by the Cabinet Office, 70 Whitehall, London SW1
5 April 2005***

GUIDANCE NOTE J

Statistical Activities during a General Election

Introduction

1. This note gives guidance on the conduct of statistical activities in Government Departments and their Agencies during a General Election campaign. It is being circulated by the National Statistician - Head of the Government Statistical Service to Heads of Profession for Statistics and to Survey Control Liaison Officers in Departments and Agencies. It is in accordance with the general principles identified in the Election Guidance issued to Heads of Departments by the Cabinet Office, of which it forms Note J, and in keeping with the specific guidance issued to Departments on how to deal with enquiries and requests for information in the Election period. The National Statistician is responsible for promoting the integrity of official statistics and should be consulted in any cases of doubt about the application of this guidance.

Key Principles

2. During a General Election period (from the day on which the Election is called to the day after polling day) statistical activities should continue to be conducted in accordance with the Official Statistics/National Statistics Code of Practice, while taking great care to avoid competition with Parliamentary candidates for the attention of the public. Civil servants must take care to ensure that they do not engage in or appear to engage in Party politics or be used for Party political purposes. This leads to some key guidelines.

Guidelines

3. The greatest care must continue to be taken to ensure that information is presented impartially and objectively.

4. Regular statistical releases (e.g. press notices, bulletins, publications or electronic releases) will continue to be issued and published on dates which have been pre-announced. Ad hoc statistical releases should be released only where a release date has previously been published or release in the Election period has been clearly intended and publicly known when the election is called. Where the pre announcement specified that the information would be released during a specified period (eg a week, or longer time period), but did not specify a precise day, releases should be published within the specified period. Other ad hoc statistical releases which are not pre-announced and which may be regarded as politically sensitive should not go ahead. If unsure, the advice of the Head of Profession for Statistics and the National Statistician should be sought.

5. Any requests for unpublished statistics should be dealt with in accordance with the requirements of FOIA, and should be released unless an exemption applies. In such cases, advice should be sought from the Head of Profession for Statistics and the National Statistician.

6. Special care must be taken in producing commentary for inclusion in announcements of statistical publications issued during the Election period. Commentary which would be accepted as impartial and objective analysis or interpretation at ordinary times, may excite criticism during an Election. Briefings by civil servants should be restricted to the most basic factual clarification during this period. Ultimately each case must be considered on its own merits and the

content of the announcement left to the discretion of the departmental statistician, seeking advice from the Head of Profession for Statistics and National Statistician as appropriate.

7. During this period, civil servants involved in the production of official statistics will not generally provide face to face briefing to Ministers. Only if there is a vital operational need for information, e.g. an out of the ordinary occurrence of market sensitive results with significant implications for the economy, or some new management figures with major implications for the running of public services, should such briefing be provided. Any such briefing should be approved by the National Statistician.

8. Requests for advice on the interpretation or analysis of statistics should be handled with care, and the guidance in paragraphs 5 and 6 is appropriate.

9. Requests for guidance on methodology should continue to be met.

10. Requests for small numbers of copies of leaflets, background papers or free publications which were available before the Election period may continue to be met but no bulk issues to individuals or organisations should be made without appropriate approval. Regular mailings of statistical bulletins to customers on existing mailing lists may continue.

11. Regular, continuous and ongoing censuses and surveys to individuals, households, businesses or other organisations may continue. So may ad hoc surveys which are directly related to and in support of a continuing statistical series.

12. Ad hoc censuses or surveys to individuals, households, businesses or other organisations may give rise to controversy or be related to an Election issue. Where this is likely, departments may consider postponing or cancelling them. If this is inappropriate, guidance should be sought from the Departmental Head of Profession or if necessary the National Statistician. Each case will be judged on its merits including any costs which would be incurred through cancellation. Non-controversial censuses or surveys, not directly related to any Election issue, may proceed, subject to the usual survey control requirement to obtain Ministerial approval for surveys of businesses and local authorities.

13. If officials working on statistics in any area across government are unsure about any matters relating to statistics during the election period, the advice of their Head of Profession for statistics or of the National Statistician should be sought (ONS can be contacted on 020 7533 6210).

GUIDANCE NOTE H

Communication Activities during a General Election

1. The general principle governing communication activities during a General Election is to do everything possible to avoid competition with Parliamentary candidates for the attention of the public. In addition, it has always been recognised that special care must be taken during the course of an Election since material produced with complete impartiality which would be accepted as objective in ordinary times, may excite criticism during an Election period when feelings are running high.
2. This paper gives guidance as to how these principles should be applied. Part I deals with the work of communication staff in regard to 'free' media and Part II with paid media. References to communications staff and their units apply equally to all officials involved in similar work. The principles also apply to the use of Internet and similar systems. Because of the much-increased use of the Internet, there is guidance on specific issues at paragraph 10.
3. The Election period should be taken as from the date the General Election is announced although between that date and the dissolution of Parliament it is in order for the Government to clear business.
4. Departmental communications staff may therefore properly continue to discharge during the Election period their normal function only to the extent of providing factual explanation of current Government policy, statements and decisions. They must be particularly careful not to become involved in a partisan way in Election issues.

5. The Knowledge Network and similar departmental systems are part of the Civil Service's supporting infrastructure. During the Election period, access will be restricted to permanent civil servants who will produce briefing, and answer requests for information, in line with the principles set out in Note A of the Election guidance. Any updating of lines to take should be confined to matters of fact and explanations of existing Government policy in order to protect the system from serving, or appearing to serve, a party political purpose. Ministers and Special Advisers will have no direct access to the systems.

6. Rules for the guidance of Departmental communications staff should be broadly as follows:

News media relations

a. In response to questions Departments should, where possible, provide factual information by reference to published material, including that on websites. Specific requests for unpublished material should be handled in accordance with the requirements of the Freedom of Information Act. There is no objection to issuing routine factual press notices - for example figures which are issued on a monthly or regular basis or drawing attention to and as necessary summarising reports of publicly-owned bodies, independent committees etc which a Department is required to publish.

b. There would normally be no objection to issuing routine factual publications, for example, guidance to people working in health or social care or health and safety advice but these will have to be decided on a case by case basis taking account of the subject matter and the intended audience.

- c. Press releases and other material sent to Members of Parliament should cease on the Dissolution of Parliament.
- d. Statements which refer to the future intentions of the Government should not ordinarily be handled by a Department. The proposals should be made by the appropriate Minister in a political speech which would be handled by the Party organisation. Where a Minister considers it necessary to hold a press conference to make clear the Governments policies on a particular subject of immediate importance, then clearly his or her Department must provide facilities and give guidance. The Propriety and Ethics Team in the Cabinet Office and the Permanent Secretary Government Communications should be informed before a Minister makes an important Ministerial statement during the Election campaign.
- e. Statements or comments referring to the policies, commitments or perceived intentions of Opposition parties should not be handled by Departments.
- f. There is a danger that announcements of new items of Government expenditure or commitments to invest in the future, if handled by the Press Office, would be criticised as providing support for the Party in power. On the other hand, there are bound to be fairly routine announcements of this kind, and it might be inappropriate if they were issued through a political speech and the Party machine, to avoid an outside risk of controversy. Provided a Press Notice is couched in entirely non controversial language, there should be no objection to the normal procedure. In particular, it is preferable to avoid, in the Press Notice or in the background notes to editors, any recapitulation of the Government's past achievements in the field which is the subject of the announcement. Ultimately, each case must be judged on its

merits, including consideration of whether an announcement needs to be made.

Press Articles, Interviews, Broadcasts and Webcasts by Ministers

7. During the Election, arrangements for newspaper articles, interviews and broadcasts by Ministers will normally be made on the political network. Care should be taken by communications staff in arranging any press interviews for Ministers during this period because of the possibility that such interviews would have a strong political content; communications staff should remember that the distinction between political and Ministerial broadcasts will be under very close scrutiny during this period. They should not arrange broadcasts through official channels unless they are satisfied that the subject is non-controversial and that the Minister is speaking in a Government, not Party, capacity.

Release of information

8. The provision of information to members of the public, all Parliamentary candidates or organisations should be in accordance with the Freedom of Information Act 2000, any statutory provisions applicable, and the General Election guidance issued by the Cabinet Secretary

www.cabinetoffice.gov.uk/propriety_and_ethics/publications/pdf/electguide.pdf

Where there is any doubt requests should be referred to the appropriate Minister's Private Office after consulting FOI specialists and the Propriety and Ethics team in the Cabinet Office

PART II - Paid Media

9. a. **Exhibitions** which form part of a privately sponsored exhibition should not be withdrawn; but self-contained official exhibitions or privately sponsored ones advocating a politically contentious policy should not be kept open or opened during the Election period.
- b. **Window Displays**. Normal display of factual information on official premises may continue but promotional displays should be withdrawn or withheld.
- c. **Films, videos and photographs** from departmental libraries or sources should not be made available for use by political Parties.
- d. **Printed material** should not normally be given any fresh distribution in the United Kingdom during the Election period, in order to avoid any competition with the flow of Election material. The effect on Departments which distribute posters and leaflets to the public is as follows:
- i. **Posters**. The normal display of existing posters on official premises may continue but efforts should not be made to seek display elsewhere. Specific requests by employers, trade unions etc for particular posters may, however, be met in the ordinary way.
- ii. **Leaflets**. Small numbers of copies of leaflets may be issued on request to members of the public and to Parliamentary candidates. Bulk supplies should not be issued to any individuals or organisations without appropriate approval.
- e. **Export promotion** stories for overseas use may continue to be sought but it must be made clear on each occasion that this information is needed for use abroad.
- f. **Official “filler” films** and **radio tapes** transmitted in intervals or public service periods of TV and radio programmes

may be limited in consultation with the BBC, ITC and Radio Authority.

g. **Advertising**. New advertising campaigns will in general be postponed and running campaigns closed. However, some advertising for example recruitment, health and safety might be specifically approved to continue by the Permanent Secretary Government Communications, in consultation with Propriety and Ethics Team, Cabinet Office.

h. **Research**. Fieldwork involving interviews with the public or sections of it will be postponed or abandoned although regular, continuous and ongoing statistical surveys may continue.

The Internet

10. Official websites, including direct.gov, are a form of broadcasting which perform both news handling and paid publicity roles. They will be scrutinised closely by the news media and the political Parties during the Election period and must be handled with great care. In general, they must comply with the sections of this guidance on free and paid publicity and their principles. There are specific instances in which communications staff and webmasters must take particular care:

- a. News sections of websites must comply with the advice on press releases found in paragraphs 7 and 8 of this guidance. News tickers and other mechanisms for “push”, including viral marketing, should be discontinued for the Election period.
- b. Webcasts, particularly those involving Ministers, should be avoided.
- c. Material that has already been published in line with the rules on propriety and which is part of the public domain record can stand. It may also be updated for purely factual accuracy for example, a change of address. However, while it can be

referred to in handling media enquiries (paragraph 7a), nothing should be done to draw further attention to it.

d. Ministers' biographies and details of their responsibilities can remain on sites, no additions should be made. As Ministers cease to be MPs on the dissolution of Parliament, their details should be amended accordingly.

e. Development work on support systems of existing sites (for example, new forms) can continue, but this should not involve new campaigns or extend existing campaigns. In case of doubt, guidance should be sought from the Permanent Secretary Government Communications (PSGC). Interactive functions such as discussion groups which allow the public posting of comment or debate should be suspended. Some interactive functions can continue. These include mechanisms which support campaigns which started before the period (eg request forms for recruitment packs); those which support the electronic delivery of established services; and those which allow subscription to or personalisation of a site, In all cases of doubt, guidance should be sought from the PSGC.

Facilities for Overseas Visitors

11. Official tours for visitors from overseas are arranged by the Foreign and Commonwealth Office. It will be in the UK interest to provide opportunities for these visitors to see how the Election is conducted; and the following instructions are being issued in connection with the arrangements to be made for them (they are on similar lines to those approved by the political parties in previous General Elections).

a. Tours by official visitors during the election period

Where it is practicable and acceptable to the political Parties, arrangements will be included in the programmes for visits to party headquarters and committee rooms and arrangements may also be made to attend political meetings. Transport may be provided for these purposes if necessary, but the visitors will not be accompanied.

In addition, arrangements may be made to see polling stations and attend the counting of votes; if so, Regional Officers will be authorised to ask for the assistance of the Returning Officer in providing these facilities; and may escort the party if the visitors so desire and provide transport if necessary.

b. Other journalists from overseas

Any foreign journalist - press, television or radio - not being an official visitor, who may ask for assistance should be given the addresses of the central or local Party offices.

Facilities for Information Material for Overseas Use

12. The permission of the political Parties will be sought for any photography, filming and sound recording in particular constituencies, for use overseas.

Further Guidance

13. In any case of doubt about the application of this guidance in a particular case, communications staff should consult the Permanent Secretary Government Communications (020 7276 0650) or their Departmental Permanent Secretary. The PSGC will liaise as necessary with the Propriety and Ethics Team in the Cabinet Office.

14. Copies of more general guidance to civil servants on answering queries from, or providing information to, the public or political Parties can be obtained from any of the above sources or the office of the Cabinet Secretary.

UK STATISTICS AUTHORITY

SA(09)58

Recommendations of the Consumer Prices Advisory Committee

Purpose

1. This paper reports on the first meetings of the Consumer Prices Advisory Committee (CPAC).

Timing

2. Urgent if the proposed change to the Retail Prices Index (RPI) is to be implemented in spring 2010.

Recommendation

- 3 The Authority is invited to:
 - i. agree with CPAC's recommendation that the measure of interest used in the calculation of mortgage interest payments in the RPI should be changed to use the Average Effective Rate (AER);
 - ii. agree that this change should be implemented for the February 2010 index to be published in March 2010, and;
 - iii. write to the Bank of England before the end of October to set out the proposed change, in line with the protocol agreed for consultation over proposals for change to the RPI.

Discussion

4. CPAC have considered the proposal to change the interest rate that is used in the calculation of the Mortgage Interest Payments (MIPs) series in the RPI from the Standard Variable Rate (SVR) to the Average Effective Rate (AER). The report (attached at **Annex A**) sets out CPAC's advice and recommendations.
5. The proposed change follows from a recommendation made in 1994 by the Retail Prices Index Advisory Committee (RPIAC), that "The Committee (RPIAC) therefore recommends that ... the composition of the (mortgage interest) rate(s) should be kept under review in future and changed, if necessary, at the annual RPI reweighting."
6. CPAC consider that the switch to the AER from the SVR should be implemented at the earliest opportunity since the AER is much more representative of the mortgage interest rates that consumers are paying.
7. The Office for National Statistics (ONS) considers that the change could be implemented with the publication of the February 2010 index in March 2010 if the Authority approves the change at its meeting on 16 October.
8. If the Authority approves the change, then the next steps for final decision on implementation are set out under the terms of the protocol agreed between the ONS, the Bank of England and the Treasury.

Jil Matheson, National Statistician, October 2009

List of Annexes

Annex A Mortgage Interest Payments Report October 2009

Consumer Prices Advisory Committee

Mortgage Interest Payments in the Retail
Prices Index

October 2009

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Terms of reference of the Consumer Prices Advisory Committee

Section 21 of the Statistics and Registration Service Act 2007 requires the Statistics Authority to compile and maintain the RPI and publish it every month. It further requires that before making any change to the coverage or the basic calculation of the index, the Authority must consult the Bank of England as to whether the change constitutes a fundamental change in the index which would be materially detrimental to the interests of the holders of relevant index-linked gilt edged securities. If the Bank of England considers that that change is a fundamental change in the index which would be materially detrimental to the holders of index-linked gilts, the Authority may not make the change without the consent of the Chancellor of the Exchequer.

Any methodological changes to the RPI therefore require the approval of the Authority before being referred to the Bank of England. To facilitate this, the Authority established a body to advise it on proposals for change to the RPI. This body is called the Consumer Prices Advisory Committee and it has three distinct roles:

1. To advise the UK Statistics Authority on the implication for the Retail Prices Index (RPI) of the improvements to this index recommended by the Office for National Statistics (ONS).
2. To provide the UK Statistics Authority with advice on RPI methodological issues.
3. To advise the UK Statistics Authority on improvements to the UK Consumer Prices Index (CPI) recommended by the ONS.

Membership of the Consumer Prices Advisory Committee

Members

Ms Jil Matheson	National Statistician (Chair) - from September 2009
Dame Karen Dunnell	National Statistician (Chair) - to August 2009
Mr Partha Dasgupta	UK Statistics Authority
Mrs Pam Davies	Office for National Statistics
Ms Stephanie Flanders	British Broadcasting Corporation
Mr Chris Giles	Financial Times
Mr Neal Hatch	Bank of England
Mr Adam Lent	Trades Union Congress
Professor Stephen Nickell	UK Statistics Authority
Mr David Ramsden	H. M. Treasury
Mr Dennis Roberts	Office for National Statistics
Professor James Sefton	Imperial College London
Mr Prashant Vaze	Consumer Focus
Dr Martin Weale	National Institute of Economic and Social Research

Secretariat

Mr Lewis Conn	Office for National Statistics
Ms Tracy Jones	Office for National Statistics

Introduction

1. The Committee reviewed the present treatment of Mortgage Interest Payments (MIPs) in the Retail Prices Index (RPI) in September 2009. The committee has several recommendations for the UK Statistics Authority's consideration with the view to the changes to be implemented in March 2010 for the February 2010 RPI.

Recommendations

2. The Committee recommends that:
 - a. The Office for National Statistics changes the interest rate measure used in the calculation of mortgage interest payments in the RPI from the Standard Variable Rate (SVR) to the Average Effective Rate (AER) and that the choice of rate should be kept under review in future and changed, if necessary, at the annual RPI reweighting.
 - b. The AER should be introduced into the published RPI in March 2010, at the same time as the annual update of the basket of goods and services that underpin the RPI (and CPI).

Measuring Mortgage Interest Payments

3. The measure of MIPs currently included in the RPI is based on the Standard Variable Rate (SVR) of interest from the main bank and building society providers using data supplied by the Bank of England. The committee noted the two main concerns with this approach:
 - i. the SVR does not reflect the average rate borrowers are paying;
 - ii. the weight given to MIPs in the RPI has been overstated in recent years.
4. Both concerns surround the take up of fixed rate, discount and tracker mortgages which are not covered in the calculations. Data from the Bank of England indicate that fewer than 5 per cent of customers take out SVR mortgages and approximately only 10 per cent of mortgages in stock are on SVR rates.

Alternative measure of interest – the Average Effective Rate

5. The Committee reviewed an alternative measure of interest, the Average Effective Rate (AER), which has been developed jointly by the Office for National Statistics and the Bank of England. The AER is more representative of mortgage rates available, covering around 90 per cent of bank and building society mortgage lending.
6. The AER is calculated using the same data as the Bank of England's published effective rate¹, which includes various mortgage rates weighted together based on market share. For the RPI, these rates are

¹ Bank of England (2009). *Effective interest rates*, Bankstats table G1.4, available at: <http://www.bankofengland.co.uk/statistics/ms/current/index.htm>

weighted by the relevant stock of mortgages each January. For the calculation of the 'effective rate', the Bank reweigh the index each month. The AER is in line with the RPI concept of a fixed basket with fixed weights within each year. The final MIPs series then reflects payments against both new and existing mortgages.

7. The effect of moving from the SVR to the AER in calculating the MIPs series and the all items RPI is shown in Annex A.
8. The AER for any month cannot currently be compiled in time to be included directly in that month's RPI. However, the Bank of England forecast the average effective rate for the current month using the latest available data and this can be readily extended to produce a forecast AER. Such an approach would be consistent with the current methodology used to estimate the change in house prices within the existing MIPs series.
9. The effect of the forecasting error in the AER over 2007 to November 2008 is outlined in Annex B. The Committee noted that the effect on the all items RPI rate was very small. This forecast error is considered to be acceptable given the improved quality from the use of the AER.
10. The Committee noted that the proposed AER is based on average rates over the whole of a month rather than on a fixed date. This is out of line with current RPI methodology of collecting prices on a single day around the centre of the month. The divergence from current policy cannot be quantified but was considered by the Committee to be minor against the current limitations of using a MIPs series based solely on the SVR. The general issue of timing of collection will be reviewed further by the committee at a later date.

Implementation

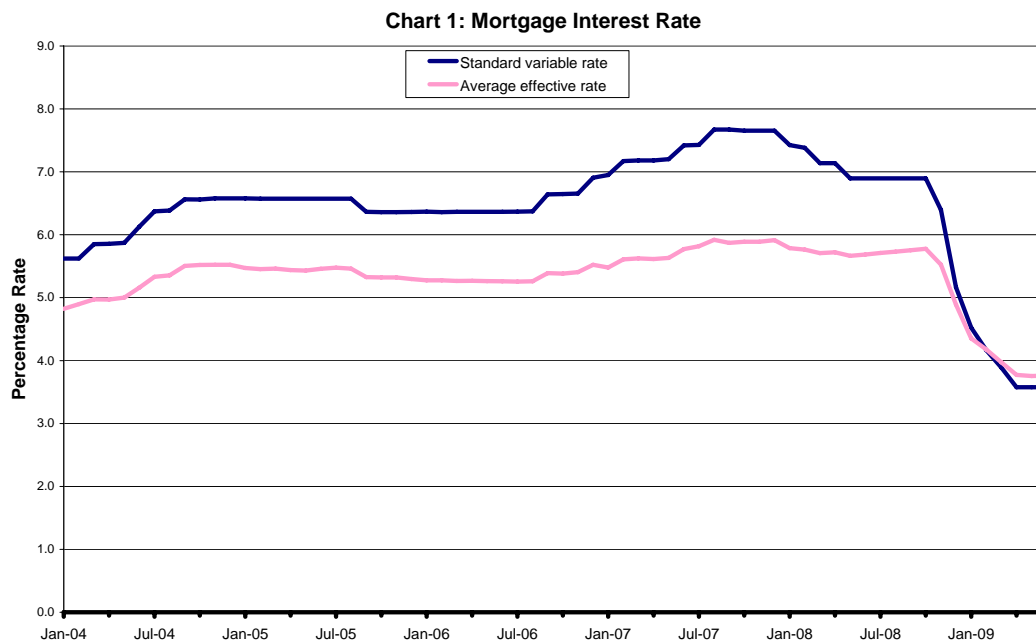
11. Following standard practice, no revisions will be made to the RPI for previous periods following the introduction of any new methodology.
12. The Committee preferred to move to the AER as soon as possible as the AER is more representative of mortgage interest rates that consumers are paying. However, the Committee also noted that the impact of incorporating this change going forward will depend on the relationship between the AER and the SVR from the point of implementation. Further, to implement the AER series in the monthly production of the RPI requires further work to be undertaken by the ONS and the Bank of England. The Committee noted that postponing implementation would allow a longer time series of data to be available to study the impact of the change in practice.
13. Changes to the RPI are best made with the standard annual update of the index in March so the first opportunity to incorporate the AER into the published index is for February 2010, to be published in March 2010. Working backwards from this, the Authority will need to send proposals

to the Bank by the end of October to allow time for their review of the proposals and, if necessary, for the Chancellor to consider the proposal. Public consultation regarding the proposal should also be launched at the end of October.

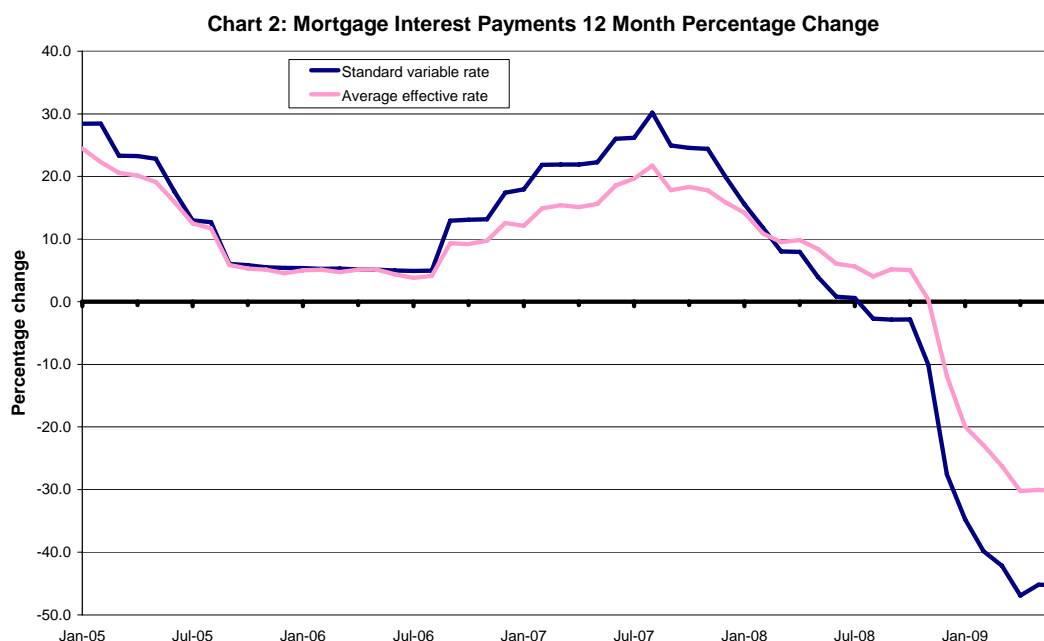
Annex A

Effect of using the Average Effective Rate in the Retail Prices Index

1. This annex illustrates the effect the proposed methodology would have had on the Mortgage Interest Payments (MIPS) series and the all items RPI had it been in place since 2004. Following standard practice, no revisions would be made to the RPI for previous periods following the introduction of the new methodology.
2. The actual Standard Variable Rate (SVR) used currently and the proposed Average Effective Rate (AER) are graphed in chart 1. From January 2004 to late 2007, the SVR was above and drifting further from the AER before starting to move closer again and crossing over to be below the AER from February 2009.



3. Chart 2 shows the effect of the different interest rates on the percentage changes over 12 months in the MIPS series. Up to March 2008, the AER based series was generally below the SVR, but as the bank rate fell, the SVR fell below the AER series.

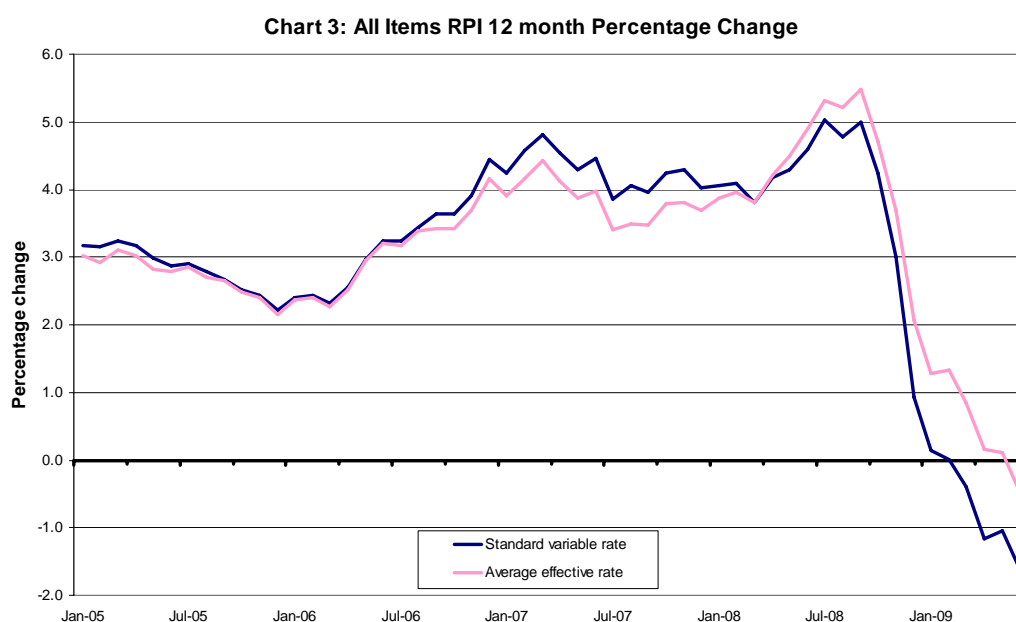


4. For most recent years the use of the SVR for weighting MIPs leads to a higher weight than would be attributed to the item if the wider range of interest rates included in the AER was used. This is due to its generally high value compared to the average rates borrowers are actually facing once the range of fixed and discount rates are taken into consideration. The effect of a move to using the AER reduces the MIPs weight as shown in table 1.

Table 1: MIPs section weights using SVR and AER

Year	Weight (RPI = 1000)		
	SVR	AER	Difference
2005	50	42	8
2006	50	44	6
2007	55	44	11
2008	60	48	12
2009	41	39	2

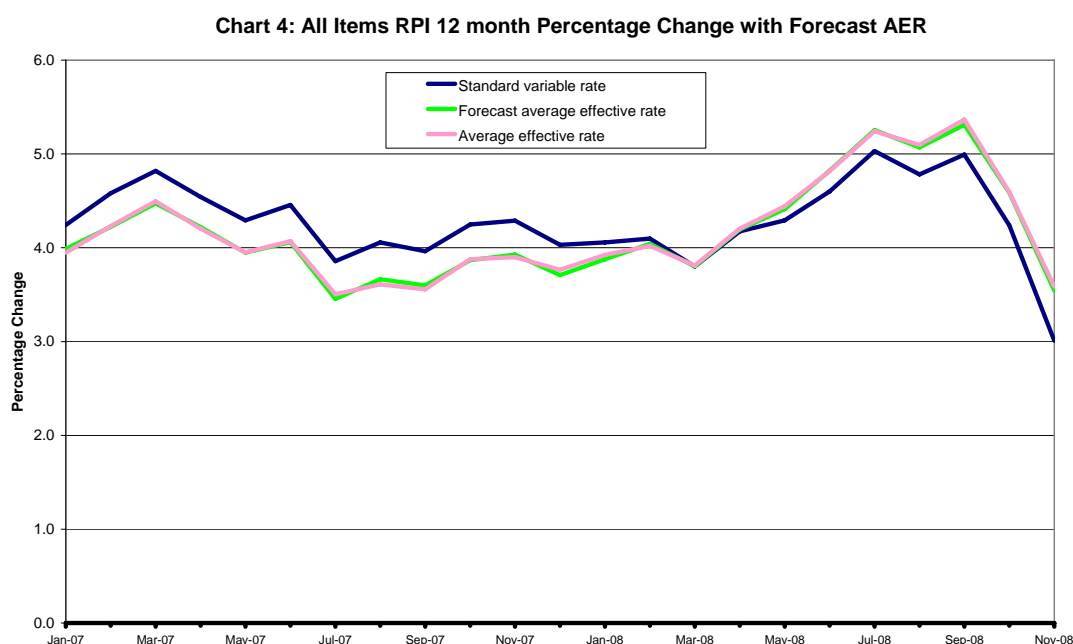
5. Chart 3 shows the all items RPI twelve month percentage change incorporating the SVR and the AER. For the period of analysis, the RPI twelve month percentage change using the reweighted AER series is 0.1 percentage points higher on average than the RPI using the SVR and the average of the absolute differences between them is 0.4 percentage points. Up to December 2007 the RPI twelve month percentage change using the SVR was generally higher than with the AER. As the official bank rate fell from December 2007, the relationship reversed with the RPI incorporating SVR falling further. The impact of incorporating this change going forward will depend on the relationship between the AER and the SVR from the point of implementation.



Annex B

Effect of Forecasting AER Series on MIPs Index and All Items RPI

1. One issue with the use of the AER is that it is not available in time to meet current RPI publication schedules. If the MIPs series is to be based on the AER then a one month ahead forecast is required to meet publication dates.
2. The preferred forecast is produced by weighting together a combination of fixed and floating rate mortgage series. The fixed rate series uses 2 and 5 year quoted fixed rates weighted together with a 24 month rolling average taken. The SVR has been used for the stock of floating rates.
3. Chart 4 shows the effect of the forecast on the all items RPI. The average error over the period January 2007 to November 2008 between the forecast and the AER based series is -0.01 percentage points, and the average of the absolute differences is 0.03 percentage points. To one decimal place, the RPI rate would have changed in 7 months out of 23 observations with a maximum absolute difference of 0.1.



4. The use of forecasting does have an effect on both the MIPs series and the all items RPI but any error introduced is much smaller than the difference between SVR and AER based series.