

## Further response on AEI progress

**Recommendations 1 and 12, covering release practices, were covered by policy guidance circulated in July 1999, in the light of the AEI review. These are reproduced below:**

### **Rec 1 Current policy is as follows:**

'The release of high-profile data will be pre-announced on the website in National Statistics Updates, so that users have plenty of notice of publication. But occasionally it will be necessary to publish new or revised data without due notice, and in the first instance the arrangements should be given careful consideration at Board level. In such circumstances, it is recommended that at least 24 hours notice should be given. However, if the data are market-sensitive or have significant and urgent implications for Government policies, the Director of ONS or his deputy may wish to consult with senior officials of HM Treasury with regard to the timing of the announcement and the notice to be given. If this procedure means breaking the rules governing data release practices, this should be stated in the news release, or - if this is not possible - mentioned at the press briefing. ONS will maintain a register of occasions when the rules have been broken and will report annually in its stewardship report.'

### **Rec 12 Current policy is as follows:**

'There are several principles involved in implementing this recommendation and also a clear link to the ONS guidance on release practice:

- ONS has sole responsibility for its estimates and methods;
- maintaining public confidence in the integrity of ONS outputs requires a strict and transparent regime on the release of statistics and information about them;
- information on ONS methods and procedures and their application in particular cases should be publicly available;
- cases where the normal release practices are overridden should be kept to a minimum, explicitly justified, and made public as soon as possible.

The note below distinguishes between the handling of difficulties arising within a statistical development project and difficulties arising in the course of routine ONS business.

#### **Difficulties arising within a statistical development project**

Project guidance will include procedures to prompt the project leader to consider whether a significant difficulty has arisen that would justify consultative action under the terms of this recommendation and to enable him/her to deal with the issue after consulting the Director of ONS and with the Director's authority. The criteria involved in deciding whether such action would be justified are similar to those set out below.

#### **Difficulties arising in the course of routine ONS business**

Difficulties could be of four types:

- the emergence of an 'abnormal' (but correctly calculated) forthcoming estimate for the latest period (e.g. a sudden unexpected jump in the RPI);
- a mistake in calculation or compilation of a series affecting:
  - the latest period only
  - a run of back periods;
- a set of revisions caused by changes to input data and/or the revised judgement of compilers;
- a reduction in the quality of the forthcoming estimate for the latest period.

### **Deciding whether action is justified**

The Director will authorise action under these procedures only where the new or revised set of estimates is exceptional and is likely in his/her opinion to have a significant impact on key markets and/or urgent government action is likely to be required.

In deciding whether to act under this recommendation, the Director may have consulted previously on:

- which are the relevant statistics or indicators;
- the range of movement in, or revision to, a relevant indicator that would justify action (referred to below as the indicator falling 'outside the normal range').

and may publish the result of that advice. It is not expected that the terms of the recommendation will be invoked other than rarely.

### **Action**

Once satisfied that action is justified under the terms of this recommendation, the Director of the ONS will authorise that a named senior official in the relevant Department or Bank of England should be informed of the difficulty immediately. Those informed will keep a record of any other official or Minister who is subsequently told. The Director of the ONS will keep a record of advice received and any ONS action that results from the consultation.

The fact that such consultation has taken place and the reason for it will be made public soon after the event and will be entered on a generally available ONS register.

### **Procedures needed within ONS**

To guide and support ONS compilers of statistics in carrying out this recommendation a list of those series where it can be foreseen that such action may need to be considered will be compiled by the Directors of Economic and Social Statistics with the help of the ONS Chief Economic Advisor and will be periodically reviewed. **But all compilers need to be aware that circumstances may change without warning and that they must be prepared to take a decision to alert the Director on a case-by-case basis, especially where a series or data set is moving significantly counter to market or external expectations. This may require rapid consultation with other in-house experts or the routine addition of such an expert to the list of pre-release recipients.**

The statistician responsible for compilation of each series on the list will, with the help of the in-house economics team or other relevant expert identify 'the normal range' for the series. This should be constructed so that **movement of the series outside the "normal range" would be truly exceptional** and therefore risk market turbulence and/or require urgent Government action. The "normal range" will be periodically reviewed.

- **forthcoming estimate outside 'normal' range or diverges significantly from market or external expectation**

The statistician responsible for compilation of a listed series will inform his/her manager and the Director immediately if he/she considers that a forthcoming estimate or revision falls outside the 'normal range' or is likely to be seriously out of line with external expectations.

- **error in calculation**

Where an error in calculation is identified in a series in the list, the following steps should be taken:

- statistician compiler to inform his/her manager of suspected error;
- manager and statistician to confirm existence of error and to estimate the period affected by the error, the size of the correction, the time needed to correct and test the system and (hence) whether a delay to publication is needed;
- Director of ONS informed, who decides whether key user needs advance notice of (a) delay and (b) detailed reasons. The decision criterion will take account of the 'normal range'. However, if an extensive back series is affected, the Director and compiler will need to consider whether the interpretation of recent economic or social developments will be significantly altered. In making this judgement, they may consult the in-house team of economists or other relevant in-house experts;
- if action is justified on these criteria, the key user to be informed and any resulting advice considered;
- delay to publication announced (if required) with reason and new publication date;
- Director of ONS decides whether external experts are needed to quality assure corrections to systems;
- a project to correct the series to be established and corrected results to be published as soon as possible, with information given about key user consultation and the reason for it.

- **revisions arising from changes to input data or compilers' judgement**

The steps are similar to those above. Here the criterion will be whether the interpretation of recent economic or social developments will be significantly altered. In making this judgement, the Director and compiler may consult the in-house team of economists or other relevant in-house experts;

- **forthcoming estimate of reduced quality**

This covers situations where, for example, there has been a substantial drop in response or several key contributors have not made returns. The estimate may therefore be more than usually subject to revision. On its own, this would not be grounds for consulting Treasury or Bank in advance of normal release; but it would be a circumstance to be taken into account if other relevant factors, described above, had come into play.

### **Promulgating the procedures**

To compilers within the Economic and Social Statistics Directorates. Procedures to be put into central ONS guidance on procedures and release practices and included in hand-over notes for relevant compilers and their managers and covered in relevant induction and refresher training.

### **Reporting on the procedures**

The ONS will maintain a register listing the occasions on which the procedures have been invoked and will publish the information in its annual stewardship report.'

## **Rec 7 Current guidance was circulated to all staff as part of the new project management guidelines in August 1999. This included:**

'Where a project concerns a statistical series for publication it is for the Project Board to ensure there are clear procedures for the sign-off of the ONS Director and the relevant Group Director.'

ONS are presently developing a more formal evaluation process for signing off any new statistical series. When this process has been finalised, in consultation with the business areas, it will be incorporated in the project management guidelines.

**Rec 17 et seq.** We have used launch and relaunch interchangeably. The launch after suspension was in March 99 with the new sample introduced in Oct 99. The references relate to March 99.

**Rec 26 and 27.** The calculations you make are correct for the first occurrence totally from the new sample i.e. the first annual month on month change in October 2000 and the first headline rate in December 2000. However a series of such observations over a full year including the difficult bonus season will not be available till Dec 2001 for the headline rate. We feel we need such a run before proceeding with confidence. Hence the Dec 2001 date.