

## ***Minutes of the UK Statistics Authority Meeting 18th April 2008***

### **Present**

#### **UK Statistics Authority - Non-Executive Members**

Sir Michael Scholar (Chair)

Lord Rowe-Beddoe (Deputy Chair - ONS)

Professor Adrian Smith (Deputy Chair - UK Statistical System)

Mr Partha Dasgupta

Ms Moira Gibb

Sir Alan Langlands

Professor Steve Nickell

Professor David Rhind

#### **UK Statistics Authority - Executive Members**

Ms Karen Dunnell (National Statistician)

Mr Steve Newman

#### **Interim Secretariat**

Mr Robert Bumpstead

Mr Allan Smith

#### **Invited Officials**

Mr Glenn Everett (ONS - Item 3)

Mr Glen Watson (ONS - Item 5)

Mr Duncan Macniven (Registrar General, Scotland - Item 5)

Mr Robert Beattie (NISRA - Item 5)

Ms Kate Chamberlain (NAW - Item 5)

Mr Mike Hughes (ONS - Item 8)

#### **Observers**

Ms Celia Reed (UK Statistics Authority)

Ms Rolande Anderson (ONS - Item 4)

#### **Apologies**

None

## **Minutes and matters arising from the previous meeting**

1. The minutes were accepted as a true and fair account of the meeting.

## **Declarations of interest**

2. Professor Smith informed the Authority that he had been appointed to the post of Director General of Science and Research in the Department for Innovation, Universities and Skills (DIUS). In order to avoid any potential conflict of interests, he will absent himself from any discussions about DIUS, and from any decisions affecting DIUS directly.

## **Appointment of the Head of Assessment**

3. The Non-Executive Directors of the Authority, discussed the appointment of the Head of Assessment in closed session. They agreed to endorse the decision taken by the appointment panel. The Chair would write to the Head of the Home Civil Service seeking his approval of the appointment.

**Action: Sir Michael Scholar.**

## **Blue Book 2008**

4. Ms Dunnell introduced a paper which described the progress made with Blue Book 2008 since the last meeting of the Authority; focussing in particular on technical development, stakeholder management and staffing issues. Technical development is progressing positively, and a decision will now be taken at the end of April on the precise scope of Blue Book 2008 which will then be announced in May. Meetings have been undertaken with 'key accounts' stakeholders to appraise them of the current position and to clarify their priorities if the scope is reduced. Staffing issues are being actively managed and detailed planning is now being undertaken for retention of key staff from winter 2008 onwards. Mr Everett provided a more detailed description of the performance of the new systems and the progress being made with recruitment in Newport.

5. Members of the Authority sought assurances on a range of issues:

- the extent to which the criteria for the decision to be taken in April are pre-defined;
- the clarity of the criteria for customer acceptance testing of the technical delivery;
- the contingency plans and the impact on stakeholders if these plans are deployed;
- the interaction between the relocation plans, the actual level of staff redeployment and the delivery of Blue Book 2009;
- the attention being given to staff issues - in particular retention of key staff and motivation in the face low morale;
- the likely public response of 'key accounts' stakeholders to the end of April decision.

6. The Authority requested:

- regular management information showing promised delivery against actual delivery in each area of the project's deliverables between 2008 and 2010;

- a submission on the decision taken at the end of April.

**Action: Ms Dunnell**

**Recommendations and advice to the UK Statistics Authority contained in the reports of the Statistics Commission**

7. Professor Rhind introduced a paper offering recommendations and advice to the Authority based on the work of the Statistics Commission. Professor Rhind explained the principles which underpinned these recommendations and then outlined his view that the Authority will need to set out its strategy for delivering its objectives publicly at an early stage. Professor Rhind closed his comments by describing in more detail a number of the recommendations set out in the paper. Specifically, the Authority should:

- achieve a balance between resources utilised in collecting more statistics and making better use of those already being collected;
- improve the presentation of statistical data;
- have in place clear policies and plans in place for when things go wrong;
- find ways of improving public standards of statistical literacy, although this is not directly within the Authority's remit.

8. The Chair invited comments and observations from members of the Authority. The Authority agreed on the following points:

- the need to develop a strategy, medium term success criteria (3 to 5 years), performance measures and targets at a very early stage;
- the need to pursue improvements to the statistical system as a whole, not only the component parts;
- the need to develop a response strategy, e.g. to media or political criticism, which best serves to goal of improving public trust.

**Census 2011**

9. Ms Dunnell introduced a paper describing the agreement reached between the Registrars General in 2004 to ensure the three Census Offices achieve consistent, coherent and accessible statistics for the UK and each component country from the 2011 Census. She went on to highlight areas where differences do exist operationally, in terms of topics and questions and in procurement matters, before concluding that none of these issues compromise the coherence of the end stage outputs. In their comments, Mr Macniven, Mr Beattie and Ms Chamberlain all highlighted the balance to be struck between harmonisation and the need to meet the needs of their national administrations.

10. In discussion, the Authority sought clarification on a range of issues:

- the issues where most disagreement and , therefore, risk existed between the Registrars General;
- the highest risk areas in relation to coherence of outputs;
- the reasons for, and the impact of, the different procurement approach taken in Scotland and the likely costs associated with this;

- the position on the fourth page of the Census and the funding available for this over the life of the Census;
- Ms Dunnell's responsibility for identifying and championing UK-wide interests;
- differences in the sizes of output areas for each of the Censuses and the impact for comparability of small areas.

11. The Authority then discussed the most appropriate nature and timing of continued engagement with the three Census offices in relation to their oversight of UK-wide coherence. A number of options were outlined, specifically:

- prior to the White Papers or equivalents with a view to influencing their contents;
- after the White Paper or equivalents to assess the impact of the Parliamentary process;
- regularly on an exception basis where issues arise which have a potential impact on UK-wide coherence;
- as a prelude to a final decision on Census outputs.

12. The Authority agreed that prior to publication of the White Papers the Registrars General should continue to do all possible to achieve coherence. The Authority would then seek a submission after the publication of the White Papers on the impact of the Parliamentary process for coherence. In addition the Registrars General should report to the Authority on an exception basis on any issues which threaten UK-wide coherence and on Census outputs when agreement on these is reached.

**Action: Registrars General**

13. The England and Wales Census Director will produce a monthly progress report for Authority members.

**Action: Mr Watson**

**UK Statistics Authority - Forward Work Programme**

14. Mr Bumpstead introduced a paper from the Secretariat outlining the issues which the Authority may wish to consider in deciding on its priorities over the coming months. This list will be maintained as a basis of the Authority's future agenda.

15. The Chair informed the Authority that progress has already been made on proposals for engaging stakeholders. A paper will be tabled on this issue at a future meeting.

16. In discussion the Authority agreed:

- Communication Strategy and Response Strategy should be added to the issues list;
- the meeting on 16th May should focus on the Authority's success criteria and strategy, and will take the form of a facilitated workshop;
- to hold an extended session on risks facing the Authority;
- to hold an open meeting at an early stage to engage stakeholders on their views about the Authority's direction.

**Action: Secretariat**

## **ONS Board**

17. Lord Rowe-Beddoe provided a report from the first meeting of the ONS Board which had met for the first time on the 18th April, prior to the meeting of the Authority. The ONS Board will meet at least quarterly, with the expectation of meetings every other month. Meetings of the ONS Board will take place immediately prior to the main Authority meeting, at which Lord Rowe-Beddoe will provide a verbal report. At its first meeting the Board had discussed the Work Programme and agreed terms of reference, which will be circulated to Authority members.

### **Action: Secretariat**

## **Work Programme 2007/08 to 2011/12: accounting for the £1.2 billion**

18. Ms Dunnell introduced a paper describing the Authority's financial settlement and the plans for allocating that settlement. Ms Dunnell also described the process undertaken to develop the planned work programme, including the consultation with stakeholders.

19. In opening the discussion, the Chair stated that in considering the financial settlement, the Authority also have a duty to establish whether the budget is adequate to deliver the Authority's objectives; and, if not, what options are open to address this.

20. Lord Rowe-Beddoe, provided a summary of the ONS Boards discussion of the work programme:

- transformation will be critical; the organisation needs extensive change to deliver its business within the financial settlement;
- the Authority's vision will need to be in place at an early stage to provide the necessary context for making difficult decisions;
- the budgets and plans for 2008/09 should be accepted.

21. In discussion the following points were made:

- alongside resource and activity, working practices are the further critical factor in ensuring delivery of the organisation's business within the settlement. These will require considerable management focus;
- the Authority should be forward-thinking and be prepared for the next settlement to be still tighter;
- the Authority will need to consider what scope exists for income generation.

22. The Authority approved the plans for 2008/09 and delegated financial budgets for this period to ONS. The Authority's future involvement in the development of the work programme will be via the ONS Board.

## **ONS Research Data Access - Approved Researcher**

23. Mr Hughes introduced a paper describing the Approved Researcher legal gateway established by the Statistics and Registration Service Act, and the proposals for operating this

section of the Act.

24. The Authority sought clarification on the anticipated number of Approved Researchers and the locations at which they are able to operate and agreed the recommendations set out in the paper.

### **Any Other Business**

25. The Authority asked Ms Dunnell to clarify the position reached on classification issues associated with the Bank of England's proposals for supporting the banking sector.

26. The Authority noted the criticism of the Integrated Household Survey in the Daily and Sunday Mail and the ONS response.

27. The Chair noted the success of the Authority's launch on 1st April and the excellent progress made on the publication hub. The Authority asked that the minutes register their thanks to all of the staff who had been involved with these activities.

**Agenda – UK Statistics Authority Meeting 18th April 2008**  
**Boardroom, UK Statistics Authority, Newport, 11.30am – 3.00pm**

**Morning Session 11.30 to 1.00**

**Chair:** Sir Michael Scholar

**Apologies:** None

1	Minutes and matters arising from previous meeting; committee membership Declarations of interest	
2	Appointment of Head of Assessment	Oral Report
3	Blue Book 2008	SA(08)13
4	Recommendations and advice to the UK Statistics Authority contained in the reports of the Statistics Commission	SA(08)14

**Afternoon Session 1.15 to 3.00**

5	Census 2011	SA(08)15
6	UK Statistics Authority - forward work programme	SA(08)16
7	Work Programme 2007/8 to 2011/12: accounting for the £1.2 billion	SA(08)17
8	Approved Researcher and ONS Research Data Access	SA(08)18
9	Any other business	

**Next Meeting:** Friday 16th May, 11.30am to 3.00pm  
Office for National Statistics, Titchfield

***Blue Book 2008***

**Purpose**

1. This paper is a progress report on the production of the National Accounts Blue Book for 2008 following the discussion at the Board's meeting on 18 March.

**Timing**

2. Routine, for information.

**Recommendations**

3. The Board should note:
  - i. a final decision on scope of BB08 has been postponed from end-March to end-April to allow further testing of a slightly modified approach;
  - ii. we are still aiming to re-introduce current price supply-use balancing and annual benchmarking, and to implement an improved method for measuring banking output in BB08;
  - iii. this would be a big step forward compared with BB07;
  - iv. that this points to an announcement in May and not April as previously planned, with an interim announcement in April;
  - v. this mission-critical project is being very actively managed at senior level.

**Discussion**

Scope of Blue Book 2008 (BB08)

4. The paper for the previous meeting explained that it had been necessary to reduce the scope of BB08 compared with what had been announced in February 2007 (see Annex B). This reduced scope involved supply-use balancing of annual GDP estimates in current prices only, with some expansion of the number of industries and products including for the service sector.

5. At its meeting on 2 April the Modernisation Programme Board decided that not all the conditions were in place to proceed with full and detailed supply-use balancing in BB08. However another option which would deliver most of the benefits of full balancing and be a significant improvement on BB07 was identified. More work is required on testing and validation and it will be the end of April before we can take a decision to proceed with this option, but we are reasonably optimistic at this stage. The contingency fallback option of reverting to a BB07 approach will remain open to end-May.

6. If we proceed, BB08 would deliver the following improvements compared with BB07:

- Supply and use of products and industries balanced for 2004-06 through indicative Supply and Use Tables (SUT) (although the number of products and industries are not yet known)
- Full benchmarking for 2005, 2006
- SUT to set definitive level of GDP and its components

- Using new infrastructure as much as possible
- Incorporate revisions to GDP to take on improved estimates of banking sector output known as Financial Intermediation Indirectly Measured (FISIM)

#### Years balanced in BB06 to BB08

	2003	2004	2005	2006
BB06	✓	✓		
BB07	✓	✓	X	
BB08	✓	✓	✓	✓

7. BB08 would be the first stage in the re-engineering of the National Accounts. The planned scope outlined above, while a big step forward from BB07, will deliver only some user benefits compared with methods used up to BB06. But it will allow us to use the new systems and develop SUT compilation and balancing knowledge that will stand us in good stead for BB09 and beyond. The early plans for BB09 include balancing 11 years of data, rather than the 3 years we are working on this year. Continuing with the SUT balancing plans will allow us to hit the ground running for BB09 and help maintain the momentum that is being built - in effect a stepping stone toward continuing improvements in BB09 and BB10. Over the next 3 months we plan to review the technology and methods to enable us to plan for the future.

8. There remain risks. Performance of new systems is still not as good as it needs to be and some testing and validation of new systems remains to be undertaken. A decision to proceed will therefore need to be deferred to the end of April.

#### Accountability and governance

9. National Accounts are the top statistical development priority for ONS along with migration statistics. I have been monitoring the project closely, personally and with my senior colleagues:

- It has been a regular agenda item at Executive Management Group and ONS Board meetings;
- We have re-prioritised to devote more resources to National Accounts modernisation and invested £1million in a staff retention scheme to protect BB08;
- I have sent regular reports to Treasury ministers; discussed with the Treasury's permanent secretary and Deputy Governor at the Bank; and gave a seminar for the Monetary Policy Committee.
- I have commissioned **independent** reviews, an internal audit last autumn and an OGC Health Check this year;
- We have acted vigorously on their recommendations;

- We have re-structured the senior management team, bringing in a new programme director and from outside ONS a new experienced programme manager;
- Last autumn we sent a team to the Netherlands to check out our new methods against theirs; the Dutch are world leaders in supply-use balancing.

We have continued to produce a large volume of regular national accounts outputs to standard, while progressing a complex development project. We have published six regular outputs every month (retail sales, industrial production, index of services, foreign trade, public sector finances, GDP) as well as quarterly outputs such as the balance of payments and business investment. Over the same period the national accounts team has introduced improved estimates of PFI in public debt and announced sensitive and complex classification decisions such as Northern Rock.

### Stakeholder management

10. Stakeholder management continues to be a high priority. ONS's aim is to keep key stakeholders fully informed, with "no surprises". The Treasury is represented on the Programme Board. Since the last meeting of the Authority there have been bilateral senior contacts with the Treasury and Bank and on 9 April a meeting of the Senior Stakeholder Group, which also includes BERR. We will be able to provide the latest position of key stakeholders at the meeting.

11. The Treasury has advised us that as long as there is benchmarking and introduction of FISIM, and preferably some balancing, in BB08 they will regard this as progress and are unlikely to criticise ONS publicly for failure to deliver most of the quality improvements that were promised for this year's Blue Book. Jil Matheson and Colin Mowl are aiming to secure the same approach from the Bank. These are the two key stakeholders and, as far as possible, they are supportive of the work and the position we are in. In addition, the MPC will be meeting in May for its annual review of ONS performance and to give a view about future statistical priorities. This will be available by the end of May and published in the ONS Annual Report. (See Annex A for a fuller account of stakeholder requirements and priorities.)

### External communication

12. It is now recommended that the announcement of the scope of BB08 is made in May rather than at the end of April. Preferably it would be made at the same time as the regular GDP release. A pre-announcement should accompany the April regular GDP release highlighting to users that we will detail the scope of BB08 in May.

**Karen Dunnell, National Statistician, April 2008**

## Annex A: Stakeholder management

1. Stakeholder management continues to be a high priority. ONS's aim is to keep key stakeholders fully informed, with "no surprises". The Treasury is represented on the Programme Board. Since the last meeting of the Authority there have been bilateral senior contacts with the Treasury and Bank and on 9 April a meeting of the Senior Stakeholder Group, which also includes BERR (the former DTI).
2. Senior Stakeholders all agree that we should aim to deliver estimates in the Blue Book based on balancing the three measures of GDP in current prices, even though a detailed and fully consistent supply-use balance is no longer feasible. They are also keen for the data to be benchmarked to annual data and for the new method for measuring Financial Intermediation (adding about 2% to the level of GDP over a period of years) known as FISIM. They recognise the risks but believe that reversion to the approach used in BB07 with no balancing and no benchmarking is to be avoided if at all possible [even were this to mean post-September delivery].
3. The monetary policy framework is forward looking with interest rate changes designed to influence inflation over an 18 month to two year horizon. The **Bank of England's** main interest is in the latest data for demand and output as it is economic conditions now which affect future inflation. The Bank's primary concern remains, therefore, the maintenance of the quality of the short-term quarterly estimates of GDP growth. These are based on the production measure and are only indirectly affected by the absence of supply-use balancing in BB07. The Bank is nevertheless still keen on improvements to historic annual data as these provide the definitive estimate of GDP used in policy analysis and evaluation.
4. The MPC will be meeting in May for its annual review of ONS performance and to give a view about future statistical priorities. This will be available by the end of May and published in the ONS Annual Report.
5. The government's fiscal policy framework on the other hand, is both forward and backward looking. The fiscal rules are intended to hold across the economic cycle. The balanced and benchmarked historic data for GDP are, therefore, of more importance for the **Treasury**. The Treasury explained in Budget documents that they have deferred a definitive assessment of when the current cycle might have ended until balanced and benchmarked historic data for 2004-06 are available. The Treasury also regards implementation of FISIM as essential for assessment of the cyclical position, especially given recent developments in credit markets.
6. The Treasury has advised us therefore that as long as there is benchmarking and introduction of FISIM, and preferably some balancing, in BB08 they will regard this as progress and are unlikely to criticise ONS publicly for failure to deliver most of the quality improvements that were promised for this year's Blue Book.

## **Annex B – February 2007 announcement**

ONS announced in February 2007 its plan to deliver the following benefits from re-engineering in the Blue Book to be published in September 2008:

- a more coherent picture of the economy through accounts balanced in real terms as well as current prices, and quarterly as well as annually;
- expanded coverage of the service sector from 31 industries to around 100;
- more robust early estimates of GDP through incorporating changes to the structure of the economy more quickly.

***Recommendations and advice to the UK Statistics Authority  
contained in the reports of the Statistics Commission***

1. In the interests of brevity, these points are highly paraphrased from 40 Statistics Commission reports. Those pertaining to governance and the Act have been excised. The words used are not those in the reports - often several detailed points are conflated. In some cases, the reports are not specific about whether action is proposed for the Authority or for the statistical service more generally but in this paper they are associated with the Authority (some tests of success for the Authority, derived from Report 38, are in the annex). It may be wise for the Authority's secretariat to compile a complete list of Commission recommendations, not least because TSC or another Select Committee might well ask for comment or progress on them.

**Some principles**

2. Underpinning the Commission recommendations are several principles:

- That transparency is a necessary but not sufficient condition to ensure public trust.
- That spillover effects occur e.g. if there is failure in one part of the GSS that impacts on the reputation of the other parts.
- That statements by ministers, other politicians, special advisers, the media etc will frequently seek to use statistics selectively and sometimes very misleadingly. This as the nature of political debate but trust can not be enhanced without correcting the more gross misrepresentations (For example, the Statistics Commission, in response to complaints from academics, challenged the Commission for Racial Equality when it made various strong statements and implied they were based on official statistics when they were not).
- The statistical system as it now stands has little coherence and no government-wide planning: at best, it is no more than the sum of its parts.
- Close and responsive engagement with users - in parliament, business, academia, public bodies (e.g. Local Authorities) and others as well as central government - is necessary if the Authority is to be judged as a success.
- Whilst we sometimes get burned by the experience, there is no choice but to engage frequently and pro-actively with the media as crucial intermediaries.

**A UK Statistics Authority Strategy**

3. It is implicit in Commission papers but seems inevitable to me that the Authority will need to define what it understands by 'the public good', its set of values, its own objectives (consistent with the Act) and a strategy for achieving the objectives, including criteria for measuring success. Without this, we are likely both to end up fire-fighting and also constantly explaining why we have been misunderstood.

4. At an early stage we need a position in response to the question 'are the problems related to public trust a reflective simply of misperceptions or does the Authority think the statistical service is in need of change?' The Statistics Commission took the firm view that some

change was needed and expanded on this in its reports. Central to this was the need to understand the use made of statistics in decision-making and to develop the service to maximise the benefit in this context; Commission Report 33 demonstrated that it is quite difficult to identify the uses of many official statistics. That might mean giving priority to supporting the user rather than producing more statistics.

#### 5. Some key recommendations: the 'big picture'

- i. Enhance public trust in official statistics.
- ii. Develop and promote a persuasive view about the societal benefits that can arise from official statistics - in society, democracy, government and beyond.
- iii. Support the statistical service in developing a more distinct, coherent, audible and effective voice on matters of real substantive importance e.g. the accuracy and likely utility of and messages from statistics.
- iv. Operate on a transparent basis wherever possible and on a risk- and evidence-basis.
- v. Devise and implement better arrangements for interacting productively with the user community - by all parts of the statistical service - and encourage the culture that this is a desirable norm for statisticians.
- vi. Challenge statements which are misleading in a major way (this requires fast action).
- vii. Select areas of great importance and potential threat for assessment at an early stage, rather than following a standard cycle - even if the problems are not yet public. All reports should be published formally under the Authority banner.
- viii. Agree a new Code of Practice to form criteria for assessment (NB Commission draft).
- ix. Seek to create a real and coherent statistical system with pan-government planning, including the devolved administrations. (Notwithstanding the Authority's independence, ministers and senior officials who currently take important decisions in relation to the statistical service will need to be drawn collectively in to transparent consideration of the big issues.)

#### 6. Some key recommendations: means to an end

- x. Make the quality management arrangements for official statistics more systematic - centrally planned and risk-based and complementing - rather than duplicating - the assessment function.
- xi. Mandatory and desirable criteria should be defined for all Statistical First Releases. All such releases should be tested against those criteria (see Commission proposals in Report 39).
- xii. The Authority should seek to ensure that tax data be made available to ONS for statistical purposes (Commission Report 37).
- xiii. The use of national or official statistics in PSA targets should be scrutinised to ensure that these are appropriate (Report 29).
- xiv. Wherever appropriate and possible, statistics should be harmonised across the UK (Reports 21, 26, 30).
- xv. In regard to the Census:
  - The Authority should at an early stage engage all relevant parties, including Parliament, local government and the devolved administrations, in deciding what constitutes success, clarify the risks to it and enlist their help to contain risk, act as ambassadors, etc.

- Sort out the long-running addressing problem, both in technical and IPR terms.
  - Over the next 3 years investigate what should replace traditional censuses, or at supplement simpler censuses in the future.
- xvi. Improve the accessibility and usability of statistical web sites (see mystery shopper results in Commission Report 34).
- xvi. Have clear policies about how to handle the situation when things go wrong (Report 38).
- xvii. Take opportunities to build international confidence in the UK governance arrangements and official statistics in the international community e.g. through Board-level meetings.
- xix. Take every opportunity to promote better public standards of statistical literacy.

**David Rhind**

## **Annex A - Tests of the success of the Authority proposed by the Commission in January 2008**

1. Is there an adequate governance framework that binds the many producer bodies to common values and standards and a common strategy?
2. Is the statistical service taking steps to enhance trust in itself, particularly in its capacity and willingness to give independent advice about statistical data?
3. Is the service responding effectively to a changing society and information environment?
4. Is it dealing adequately with inherent tensions - conflicting user needs, sharing of data, confidentiality protection, the targets culture?
5. Is it improving the explanation that accompanies statistics when they are published?
6. Has it developed effective dialogue with the decision-makers across society?
7. Has it broadened its skills and enhanced its human capital to respond fully to increasing demands?

## **UK STATISTICS AUTHORITY**

SA(08)15

### ***Census 2011: the UK picture***

#### **Purpose**

1. In response to a request from the Statistics Authority, to provide an overview of the extent of harmonisation between the three UK Census Offices.

#### **Timing**

2. Not urgent.

#### **Recommendations**

3. UKSA is invited to:

- i. note the agreement between the National Statistician and the Registrars General for Scotland and N Ireland and the present position on harmonisation
- ii. consider how to engage with all three Census Offices

#### **Discussion**

4. There is a new European regulation requiring a UK census in 2011.

5. In 2004 the Registrars General (RGs) developed and signed an agreement. Its key objective relates to outputs i.e. “The final product should be consistent, coherent and accessible statistics for the UK and for each component country, a joint database (and/or a common data schema) being a desirable way of facilitating that outcome, with a common approach taken to output specifications, quality, data format and timing of releases”.

To achieve this objective eight preceding harmonisation steps are set out in the agreement – census date, population base, topics and questions, forms design, definitions, disclosure control and estimation methodology, publicity and procurement strategy.  
(see Annex A).

6. The UK Statistics Authority has statutory responsibility for the England and Wales Census, although Welsh Ministers have some powers following a Transfer of Functions Order from Westminster after the 2001 Census. The RGs for Scotland & Northern Ireland have statutory responsibility for their own Censuses. Each Census Office has its own governance arrangements through to Ministers and the appropriate legislature. For the most part, these arrangements are long-standing and pre-date devolution. But, since devolution, the final say on the conduct of the three censuses no longer lies at Westminster alone, and devolution may have slightly increased the pressure for variations. No other country has three statutorily-separate censuses.

#### **Governance**

7. At the highest level, the RGs meet together with the Chief Statistician for the Welsh Assembly Government as the UK Census Committee 2-3 times a year to provide joint leadership and decision making, to consider progress and resolve differences.

- At the next level, a UK Harmonisation Committee steers the work of subgroups ensuring co-ordination.

- At the working level, there are various UK working groups and workshops set up to agree specific issues. e.g.
  - Topics and questions,
  - Statistical Disclosure Control,
  - Downstream processing, e.g. imputation, coverage adjustment, disclosure control,
  - Outputs, with the expectation of a single source for UK data
  - Joint Specification of main outsourced contract (printing, data capture, coding, internet, call centre)
- In each of the three countries the census is overseen by project boards, with observers from the other offices to enhance communication.

### Progress

8. A huge amount of progress has been achieved to date. The census date, (27 March), the population base and the topics to be covered have been agreed, and formal commitments have been made to use the same disclosure control and estimation methodology and a joined up approach to communications.

### Key differences between Censuses in 2011

9. Differences remain, however, notably:

Operational – the UKCC has accepted that on the ground processes may differ because of different circumstances and conditions. For example, in E + W most of the forms will be posted out, in Scotland this will be done in the rural areas and in Northern Ireland all will be delivered by enumerators. As a result, different approaches are being taken to the address register on which the census is based. None of these differences will impact on the coherence of final results.

Topics and questions – again these differences have been accepted by UKCC. The key ones are:

- Second residence question to improve population estimation – not in Scotland
- Ethnicity and national identity – the most difficult area, reflecting differences in the ethnic composition and attitudes of ethnic groups. Most differences in the ways of asking questions will not impact on high level statistics and attention is focussing on constructing comparable statistics from differing question formats.
- Household income question in Scotland only
- Language questions differ for obvious reasons.

### Other

- Small area outputs. Scotland's smallest areas are on average half the size of those in E + W. Comparison with 2001 results has been judged to be more important than trying to change the improved system developed for 2001.
- Procurement. We have developed a common specification for printing, scanning and data capture and coding. However, Scotland decided to carry out its own procurement separately. This has financial implications and previously unplanned management and planning challenges. However, we are all committed to our final objective and believe that with the high level of co-ordination already in place between census offices we can manage the risks. Indeed very good progress has already been made on how to manage the downstream processing – the most important potential casualty.

Role of UKSA in relation to Censuses in Scotland and Northern Ireland

10. The censuses in Scotland and Northern Ireland produce National Statistics. The monitoring, assessment and designation functions of the UKSA therefore apply to them. The UKSA will in due course wish to consider, as part of its programme of work, how to exercise these functions.

National Statistician and Registrars General for Scotland and Northern Ireland  
April 2008

## **Annex A – National Statistician's/Registrar Generals Agreement**

### **THE CONDUCT OF THE 2011 CENSUSES IN THE UK STATEMENT OF AGREEMENT OF THE NATIONAL STATISTICIAN AND THE REGISTRARS GENERAL FOR SCOTLAND AND NORTHERN IRELAND**

#### **Introduction**

1. This is a statement of agreement between the National Statistician and the Registrars General for Scotland and Northern Ireland about the conduct of the 2011 Censuses which it is the intention to conduct simultaneously throughout the UK in 2011.
2. A Census is taken by the Statistics Board (UK Statistics Authority) and the Registrar General for Scotland under the Census Act 1920 and by the Registrar General for Northern Ireland under the Census Act (Northern Ireland) 1969. The necessary subordinate legislation, relating to the specific arrangements for the Census in each country, requires the approval of the UK Parliament in Westminster for England and Wales the Scottish Parliament and the Northern Ireland Assembly respectively. Welsh Ministers will be consulted on the Census for England and Wales, and will be responsible for making Census Regulations for Wales.

#### **Principles**

3. Each country will be autonomous, with the final decision lying with the relevant Registrar General, Ministers and legislature.
4. Subject to that autonomy, the National Statistician and Registrars General agree that the three Census Offices (the Office for National Statistics (ONS), General Register Office for Scotland (GROS) and the Northern Ireland Statistics and Research Agency (NISRA)) will aim to work in unison to ensure that the 2011 Censuses are a success in providing high quality population and housing statistics, meeting the needs of data users and reflecting UN-ECE and Eurostat requirements.
5. In particular, the National Statistician and the Registrars General have agreed that the three Census Offices and the Welsh Assembly Government will work together and will reach mutual agreement wherever possible on the points in this Statement of Agreement, which will facilitate harmonisation where that is in the interest of Census users. Other points may be added over time, where that would facilitate harmonisation.

#### **Harmonised Aspects**

6. The National Statistician and Registrars General have, subject to the need for approval where appropriate by the relevant legislatures, agreed the following aspects of the Census where they will aim to achieve harmonisation:-

- **Date.** The three Censuses should be carried out on the same date in 2011.
- **Population Base.** A common population base should be agreed.

- **Topics and Questions.** Common questions should be agreed wherever possible, diverging only in response to clear user needs, with such divergences minimised and the scope for cross-comparison maximised.
- **Census materials.** The design of the Census forms and other materials should be co-ordinated.
- **Definitions.** Common definitions and classifications should be agreed and published.
- **Disclosure Control and Estimation Methodology.** Common methodologies for disclosure control and for estimation should be evaluated, tested and agreed in advance of the Census.
- **Publicity.** A common approach to publicity, tailored to local needs, should be agreed.
- **Procurement of Systems and Services.** The different scale of the Census Offices may dictate different procurement solutions but a common strategy should be adopted and a common approach generally taken where that maximises value for money, operational effectiveness and (especially) consistency of outputs.
- **Outputs.** The final product should be consistent, coherent and accessible statistics for the UK and for each component country, a joint database (and/or a common data schema) being a desirable way of facilitating that outcome, with a common approach taken to output specifications, quality, data format and timing of releases.

### **Cost Sharing**

7. The costs, both contractor and Census Office, of systems and services will normally be shared between the Census Offices on an actual cost basis, where appropriate, or apportioned according to the population totals (2001 Census). Differences in approach will be kept to a minimum.

### **Governance and dispute resolution**

8. To promote UK harmonisation, every effort will be made to reach agreement through the cross-working mechanisms of the three Census Offices and any differences of opinion will be discussed and resolved at the UK Census Committee.

**Office for National Statistics**  
**General Register Office for Scotland**  
**Northern Ireland Statistics and Research Agency**

**February 2005, Revised April 2008**

## UK STATISTICS AUTHORITY

SA(08)16

### *UK Statistics Authority - Forward Work Programme*

#### **Purpose**

1. This paper sets out some issues which the Authority may wish to consider in deciding upon its agenda and priorities over the coming months.

#### **Timing**

2. Particular time constraints applicable to each issue are indicated below.

#### **Recommendations**

3. Authority members are asked to consider the issues listed, identify any omissions, and agree upon a forward work programme with particular consideration as to agendas for Authority meetings in May and June so that the work can be commissioned.

#### **Discussion**

4. At its first meeting, the Authority agreed a set of priority issues which shaped the agenda for its early discussions [SB(08)01]. Now these have been addressed the Authority needs to agree a list of topics which will form its business over the coming months, and consider the appropriate forum to address them. The list will be maintained on an ongoing basis, in light of emerging issues and the deliberations of the Authority and its committees.

#### **Issues**

5. Scope of Official Statistics. The Act gives the Board duties over 'official statistics'. It defines official statistics as those produced by the Board, Departments, Devolved Administrations and other crown bodies. An initial, partial, list of non-Crown bodies who may also produce official statistics was compiled by Cabinet Office. Parliament approved the list in the form of secondary legislation which came into effect on 1 April.

6. The Authority discussed the issue at its first meeting [SB(08)05]. It resolved to return to the matter, and in particular to ensure subsequent secondary legislation adequately captured the full range of official statistics and thus the Authority's remit. Cabinet Office officials are currently preparing a paper on the issue. The Authority will wish to review these proposals well in advance of the next Order, which may be laid in the Autumn.

7. Strategy The Authority wishes to develop and articulate a strategic approach to its work. Elements could include:

- i. a vision and set of values to guide the Authority in its work and inform stakeholders across the statistical system;
- ii. a business plan for delivering this vision with high-level objectives and milestones against which progress will be monitored;
- iii. a work programme, set of success criteria and performance indicators against which Parliament and others may hold the Authority to account, and;
- iv. a defined requirement for the management information the Authority will require in order to provide strategic direction to its executive functions.

8. The Authority should consider whether these outcomes are best achieved via papers

and discussion in meetings of the Authority and Committee meetings alone, or with additional dedicated 'workshop' time too.

9. Assessment With the imminent appointment of the Head of Assessment the Authority will wish to adopt a clear plan for the development and implementation of the Assessment function. A briefing pack for the incoming Head of Assessment has been prepared together with papers setting out priorities and issues as discussed at the Authority's second meeting in February [UKSA(08)05].

10. The Authority will wish to instruct the Head of Assessment to deliver its objectives within the appropriate timescale, mindful that statutory documents including the Code of Practice will require a full three month public consultation.

11. Census 2011 The May meeting of the Statistics Authority will be held at the ONS site in Titchfield, Hampshire, where Census operations are based. This provides an opportunity to meet the personnel involved and further consider Census issues, including the Census White Paper which should be agreed by the Board to meet revised deadlines agreed with Cabinet Office.

12. Operations in Scotland The Authority will need to reach a view about its presence in Scotland including the scope of its operating activities from its Scottish base, and any additional activities (e.g. stakeholder engagement) it may wish to organise around its June meeting in Edinburgh.

13. Risk Development of the Authority's risk management strategy has been remitted to its Risk sub-committee for a preliminary discussion. The Authority will want to consider the committee's findings when available.

14. Data sharing The Act provides a basis by which to create new data-sharing gateways between the Statistics Authority and other public bodies. These gateways are to be created via secondary legislation. A paper on this topic, setting out how the data sharing agenda might be progressed, has been commissioned from the GSS group responsible.

15. Stakeholder relationships Having established strong and positive initial relationships with stakeholders, the time is apposite for adoption of more formal arrangements. The Authority therefore needs to consider in greater detail and conclude upon its preferred model for stakeholder engagement. A note has been provided to the Chair on the way in which the Authority's stakeholder interaction might relate to those activities already undertaken by its executives.

**Allan Smith and Rob Bumpstead (Secretariat)**  
**April 2008**

## UK STATISTICS AUTHORITY

SA(08)17

### ***Work Programme 2007/8 to 2011/12 - accounting for the £1.2 billion***

#### **Purpose**

1. This paper aims to provide members of the Board with information about the UK Statistics Authority's financial settlement, the plans for allocation of this settlement and the process undertaken to determine these plans, with a view to approving the plans.

#### **Recommendations**

2. The Authority are invited to consider and comment on the Work Programme and specifically to:
- i. approve the detailed plans for the current financial year 2008/09 and delegate financial budgets to ONS;
  - ii. approve the general shape of the plans over the period to 2011/12;
  - iii. indicate any areas where it would wish to explore variation from the plans in light of the issues discussed below;
  - iv. consider how it wishes to be involved in the future development of the Work Programme.

#### **Discussion**

3. The UK Statistics Authority has a settlement under the Comprehensive Spending Review 2007 (CSR07) for five years. This is an extension from the usual three year period as part of the Independence regime and in order to provide financial certainty for the 2011 Census. Under the terms of the settlement resources are provided to maintain and develop high quality statistics, which includes making substantial improvements to regional statistics, to implement the recommendations of the Task Force on migration statistics and to improve service sector statistics. ONS is also expected to work with user departments to agree funding for some of these improvements.

4. The settlement has an in-built efficiency target of five percent per annum, a very challenging target. ONS was therefore required to meet both the settlement priority objectives and the expectations of the wider statistical community from within a reducing baseline. In response, the ONS Executive Management Group (EMG) initiated a wholesale review of its business in April 2007. This comprised three complementary elements: a review of existing outputs; a review of prospective new outputs; and a public consultation.

5. The cost and perceived benefits of all existing ONS outputs were ranked. The criteria included impact on key customers, legal obligations, strategic fit with the Office's vision and long-term plans, and, how well the requirement fitted the Office's present capability and helped to build future capacity. Resource levels were reviewed, outputs costs compared, and high cost/low benefit outputs challenged.

6. The work proposed the adoption of 10% efficiencies from outputs that were ranked as lower benefit/higher cost and 5% efficiencies from other outputs, yielding 5.6% efficiencies overall. EMG agreed this proposal, noting its scale and ambition.

7. At the same time, the review invited bids for new work and sought to match them against resource profiles. Bids totalled £220m over the four year period. These bids were

then subjected to the same rigorous analysis and challenge as existing outputs. The criteria used, in addition to those cited at paragraph 5 above, included potential for quality improvements together with reductions in financial cost, compliance cost and business risk. The work resulted in a small number of accepted priority projects, totalling £37m.

8. ONS undertook a large scale public consultation exercise to inform the development of the Statistical Work Programme. This sought to ensure the changing priorities of the user community were captured and reflected in the statistics produced over the period. The consultation enabled a great deal of useful information to be fed back to EMG and ONS business areas. Demand for statistics is ever increasing and while, inevitably, it has not been possible to satisfy all user needs, the consultation process has helped the Office prioritise the demands against the tight financial constraints.

9. The Work Programme agreed by EMG in early 2008 is described in the Annexes appended to this paper: in headline form (Annex A); with detailed breakdown and commentary (Annex B); and in respect of new statistical initiatives (Annex C). In accordance with the request expressed at the last meeting of the Authority, the latest ONS balance sheet is also attached (Annex D).

## **Issues**

10. In formulating and appraising the programme, key issues include achieving the correct balance between:

- i. the Sources (i.e. the collection and processing of data) and Analysis Directorates (Annex Table B1);
- ii. spend on the statistical programme compared with other spending such as corporate and statistical support (Annex Tables B2 and B3);
- iii. spend on new or improved outputs compared with spend on improved infrastructure (Annex Tables B4, B5 and C1).

11. The plans are also affected by constraints beyond the 5% efficiency saving target. These include European Union priorities and the Office's obligations under EU law and requirements to meet Central Government targets in burden reduction (simplification).

12. Any long-term plan must, of course, also adapt to changing circumstances. It is proposed to annually review the Programme in light of factors including the relative success of efficiency gains and the impact of investment.

13. From 2004/05 ONS had a target to deliver efficiencies, rising to £25m per year by 2007/08. The forecast is that ONS will deliver efficiencies totalling £32m, of which £15m will be cash releasing. Continuing this pace is very challenging and is the key focus of a new approach to innovation and investment that ONS are currently developing. Each business area will need targets and plans in place for 2009 and beyond. If the Office cannot deliver efficiencies it will not be able to meet some of the needs for improved statistics.

14. Moreover, the demand for statistics is not static. On the contrary it is constantly evolving and the ONS and the Authority must respond to priorities as they change.

15. For the current financial year it has been necessary to develop and implement detailed

plans. The figures presented for 2008/09 form the basis on which the Authority are asked to formally agree delegations for its executive functions.

16. Plans for the years 2009/10 onwards are naturally less detailed or settled and provide corresponding scope for variation from the initial position. The Authority is invited to comment upon how and in what ways it may wish to oversee development of the plans. However, it is important not to overstate the extent of the potential for variation or how readily resources may be redeployed. The recent planning review highlighted, in plain terms, the practical difficulties of discontinuing outputs when so much of ONS activity is committed to meeting essential or unavoidable objectives.

17. Finally, the quality of the information on which planning is based must, in itself, be recognised as a central factor in determining the success of the Statistical Work Programme. In 2007 the National Statistician initiated a major review of the way that costs are understood and presented within ONS. This has resulted in a new method of mapping costs directly to outputs rather than to business areas (Annex E). Costs are mapped in a hierarchy up to National Statistics Theme level and thus, for the first time, enable a systematic and clear understanding of resource allocation to statistical product.

18. It is intended that this model of output cost-mapping will increasingly form the basis of future ONS planning. Much work has still to be done to build this approach into the Office's financial systems but it is planned to start in 2009/10. Furthermore, it is our ambition to seek to extend this methodology across statistical production in all Government Departments. In this way, the total national statistical output could be captured in a coherent and complete fashion, providing a sound basis for genuinely comprehensive planning of the UK statistical system.

**Karen Dunnell, National Statistician, April 2008**

#### **List of Annexes**

Annex A - Overall Allocation  
Annex B - Detailed Breakdown and Analysis  
Annex C - New Statistical Initiatives  
Annex D - Latest ONS Balance Sheet  
Annex E - High-Level Outputs Map

## Annex D - Latest ONS Balance Sheet

The following illustrates the latest ONS balance sheet as at February 2008

### Balance Sheet

		FEB08 2007/08 £000		FEB07 2006/07 £000
<b><u>Fixed Assets</u></b>	£000		£000	£000
Tangible assets	121,161		111,519	
Intangible Assets	<u>3,696</u>		<u>4,147</u>	
		124,857		115,666
Debtors falling due after more than one year				
<b><u>Current Assets</u></b>				
Debtors	7,833		10,556	
Cash at bank and in hand	<u>2,545</u>		<u>13,995</u>	
	10,378		24,551	
Creditors (amounts falling due within one year)	(14,676)		(17,045)	
<b><u>Net Current Assets</u></b>		<u>(4,298)</u>		<u>7,506</u>
Total assets less current liabilities		120,559		123,172
Creditors (amounts falling due after more than one year)				
Provisions for liabilities and charges		<u>(27,061)</u>		<u>(31,717)</u>
		<u>93,498</u>		<u>91,455</u>
<b><u>Taxpayers' equity</u></b>				
General Fund		50,609		53,823
Revaluation reserve		<u>42,889</u>		<u>37,633</u>
		<u>93,498</u>		<u>91,455</u>



**ONS Research Data Access - Approved Researcher**

**Purpose**

1. A new legal gateway known as "Approved Researcher" has been established in s.39 of the Statistics and Registration Service Act (SRSA) to allow access to personal information for research purposes. For the purposes of the Act (and this paper) personal information also embraces information on businesses. This note sets out proposed arrangements for operating this section of the Act.

**Timing**

2. External researchers are already seeking Approved Researcher status. Board approval for the proposed arrangements will enable them to be put in train immediately.

**Recommendations**

3. The Board is requested to:

- i. approve the Approved Researcher criteria and declaration for granting access to personal information under the new gateway;
- ii. agree that the National Statistician administers the process and makes the judgements on Approved Researcher access on behalf of the Authority.

**Discussion**

Limitations prior to the Act

4. A great deal of non-disclosive personal data is already made available to researchers through the Data Archive at Essex University. On the other hand access to potentially disclosive personal information prior to the Act, had been upon consent, or statutory gateways found in the Census Act, Statistics of Trade Act, European Community Regulations, and some non-statistical legislation. However, these existing gateways did not allow complete or consistent access.

Research Data Access under the Act

5. S.23 of the SRSA gives the Authority the function of promoting and assisting statistical research, in particular by providing access to data held by it. The new gateway adds significant legal powers to assist research through access to data. Where an existing gateway is not otherwise available, a researcher can now obtain lawful access to personal information provided safeguards are met. This helps overcome limitations illustrated above.

Approved Research Safeguards - Criteria & Declaration

6. The Authority is required to develop and publish criteria for Approved Researcher status. In this context, the SRSA requires the Authority to establish whether the individual is a 'fit and proper person' to receive personal information and that the purpose of the research is compatible with the Authority's statistical principles. Researchers will be required to

complete a standard application form and subject to successful application, will be required to complete a declaration indicating that he/she understands the requirements of the arrangements. Proposed criteria and a draft declaration are set out at Annexes A and B respectively. These have been developed in collaboration with appropriate ONS/GSS and academic working groups.

7. The advantage of the Approved Researcher gateway is that it is suitable for all the different combinations of researcher, source data, and research, that are not already provided for in law. This makes it hard for the criteria to be prescriptive. It is important not to rule out legitimate research work simply because of an incompatibility with an overly-specific criteria. For this reason it is proposed that the criteria leave room for the supply of suitable evidence with which the National Statistician can exercise her professional judgement. The proposed criteria in Annex A provide a basic framework that could be implemented at the beginning of the scheme with the potential for development with experience. To assist the applicants there will be detailed completion notes and a simple form for gathering evidence.

8. Such an approach always runs the possibility of judicial review from a researcher not accorded Approved Researcher status. The risk of this is considered to be minimal, but the Authority needs to decide whether a totally prescriptive approach at the outset is preferable to one that can be refined over time.

#### Administration of arrangements

9. The current National Statistics Code of Practice includes a protocol on data access and confidentiality. The protocol establishes minimum standards for the governance of research access to data. ONS has a Micro-data Access and Release Policy that establishes research access to data is a risk management, and not a risk avoidance activity. Risk management is achieved by consideration of 'safe projects', 'safe people', and 'safe environment' but is supported by a system of spot checks and audits of researchers.

10. The National Statistician currently authorises all research access to personal information held by ONS. Operationally, this is carried out in her name by the Micro-data Release Panel (MRP) chaired at Director level in ONS. The Approved Researcher authority fits well into the Code and current governance arrangements and it is proposed that the MRP manages the Approved Researcher arrangements on behalf of the Authority.

**Legal Services Branch (ONS), April 2008**

## **Annex A: Approved Researcher process**

### **Criteria against which each application will be considered**

The initial criteria against which each application will be measured will consist of, but not necessarily limited to, the following:

#### **A researcher is deemed 'Fit and Proper' when....**

The researcher is able to demonstrate, to the satisfaction of the National Statistician, that he/she:

1. Has the appropriate knowledge and experience necessary for handling potentially disclosive personal information;
2. Has provided satisfactory evidence supporting their application that illustrates their professionalism and technical competence to carry out the research proposal;
3. Demonstrates a commitment to protecting and maintaining the confidentiality of the data during the creation of outputs and publications that arise during the proposal.

#### **A research project is deemed suitable when....**

The research, in the opinion of the National Statistician, serves one of the following public benefits :

1. Supporting the formulation and development of public policy or public service delivery.
2. Forms part of the programme of research covered by the National Data Strategy or otherwise supported directly or indirectly by the Economic and Social Research Council.
3. Supports an obligation of public law (e.g. Local Development Plans)
4. Explores new statistical methods that can be used to produce statistics that serve the public good.

## **Annex B: Declaration**

<Logo>

### **DECLARATION**

Access to personal data as an Approved Researcher is conditional upon signing this Declaration.

Breaches of this Declaration may incur the penalties as specified in section 39 of the Statistics and Registration Service Act.

By signing the Declaration, you are confirming the details you have provided, the conditions specified below, and any other requirements in signed written agreements relating to this use of potentially disclosive personal information.

#### **DECLARATION:**

I declare to the UK Statistics Authority that the personal information provided to me shall be kept secure and confidential according to the terms of the agreements I have signed.

I understand the UK Statistics Authority reserves the right to comment on statistical issues raised by this research and to scrutinise any products or publications for disclosure control purposes.

I understand I am liable to criminal prosecution if I disclose this personal information to any other person without the written authority of the National Statistician or other Member of the UK Statistics Authority;

I understand that my lawful use of this information is only for the purposes of statistical research that will serve the public good;

I understand that I am obliged by this declaration to bring directly to the attention of the National Statistician any matters or events that may affect my obligations under this declaration, my Approved Researcher accreditation, and any other matter in the signed written agreements relating to this use of personal information.

I understand that authorisation will be effective only when I receive from the National Statistician or other Member of the UK Statistics Authority a written and signed confirmation, and only until the end date in that written confirmation.

Signed

..... / date .....