

Better Statistics CIC (BSC) - further evidence for the Lievesley review of the UK Statistics Authority

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Introduction:

BSC are providing this additional evidence to the review, to emphasise those aspects where we have most concern in respect of the present performance of UKSA and to provide our own suggestion for some of the changes that we believe to be necessary. This document is accompanied by a bundle of some relevant correspondence with UKSA.

In preparing this further submission, BSC have reviewed the documents associated with the [public bodies review programme](#), as originally proposed by the Rt Hon Jacob Rees-Mogg MP, then Minister for Brexit Opportunities and Government Efficiency. As will be seen, our primary concerns with the review relate to the governance of our statistical system and its relationship with Parliament; accordingly, the evidence provided in the accompanying bundle consists largely of correspondence with Sir Robert Chote. Sir Robert was appointed to the chair of UKSA shortly after BSC had celebrated its first year of operation and we consider the subsequent correspondence provides important evidence for the review.

In his forward to the overall public bodies review programme, Rees-Mogg had summarised a desire for “*accountable, efficient and effective public bodies*” and explained:

“The pandemic has stretched public bodies and required them to respond and adapt at a pace and scale that is unprecedented. It has also demonstrated the urgent need for public service reform, as articulated in the Declaration on Government Reform. For public bodies that means:

- 1. Ensuring they are a necessity. Government must assess whether a function should be delivered by the State, or whether an alternative is more fitting.*
- 2. Greater accountability. Democratic accountability, and the robust debate it entails, helps to create better outcomes for the public. Public bodies should not be making decisions which should be the remit of ministers - instead they must have a laser like focus on delivery. Bodies must also appropriately contribute to the government’s priorities - working together with the government as one team.*
- 3. Reduced burden on the taxpayer. The impact of the pandemic on the public finances is significant. This comes at a time when the cost of our arm’s length bodies has continued to grow – by 2020 arm’s length bodies spend over £220 billion a year, and employ over 300,000 people.*
- 4. A culture of efficiency and transparency. Public bodies must spend taxpayer money with greater care. Effective public body boards will be at the heart of this mission - they will be charged with creating a culture of efficiency throughout their*

organisations. Public bodies must also be responsive and open to their users, the public. Performance, expenditure and other data should be shared openly."

Most of the remainder of this document reviews each of the above 4 items with occasional reference to the attached correspondence as appropriate; we then conclude with suggestions for a revised structure for UKSA. In passing we note that it is the Cabinet Office that is primarily responsible for providing the administrative support for the UKSA review and it is the same Cabinet Office that is responsible for the administration of all senior appointments to UKSA, and we question whether such an arrangement is entirely satisfactory?

We also note that the public body review process includes a self-assessment module that may be applied prior to the appointment of the leader of an independent review. We believe that UKSA has completed a self-assessment study – see [minutes](#) of the Regulation Committee meeting of 25th May 2023. Is that assessment likely to be made publicly available?

Topic 1: Is UKSA a necessity?

The guide to the conduct of reviews (referred to below as ‘the guide’) states that *“the reviews will consider whether the body should be abolished or retained; whether it should continue to deliver all of its functions; and whether it has an effective relationship with its department.”*

BSC believe that many of our National Statistics are now so well ingrained in our society and our international relations, that the functions presently exercised by UKSA must either be delivered by, or authorised by, the state. Therefore UKSA needs to be retained in some form or another. It is an open question, however, as to whether it should retain all its present functions, which functions include relations with almost all other government departments through the control of the Government Statistical Service. We (BSC) had considered it an error to have suggested that the review should not consider this aspect of UKSA’s role, particularly with the growing emphasis on the use of administrative data in the production of National Statistics. The recent initiative introducing the analysis function within the GSS has been an important step in strengthening the service and the increasing integration between administrative data from the GSS and results from the ONS to re-create various statistics has made it impossible not to consider them together as part of the production function in future.

The guide also asks *“Is there an existing service provider, or providers, in the private sector that could deliver this function? Is the delivery of this service by the government having a negative impact on the market / has a market impact test been considered?”* It then also asks *“What options are available for privatisation, outsourcing and/or developing a marketplace over time?”*

We note that UKSA already subcontracts a significant amount of work to various data collection and other relevant companies, but that only a limited number of suppliers are used, compared to the number of organisations involved with the Market Research Society, an organisation whose code of conduct is very similar to that established by the Office for Statistics Regulation. We therefore believe there is considerable scope for the ONS to

increase the number of suppliers it considers for subcontract work. It is also possible that some functions presently performed ‘in-house’ could be outsourced.

The guide also mentions that reviews should “*Identify the circumstances in which ALBs¹ can create their own regulations and the role of Ministers/Parliament in this process.*” Section 10 of the 2007 Statistics and Registration Service Act that created UKSA had charged the Authority with the responsibility to “*prepare, adopt and publish a Code of Practice for Statistics*” and to modify it subject to [consulting](#) with various bodies. Then section 12 of the act determines that a National Statistic shall be a statistic that has been formally assessed as having been created and maintained in accordance with the Code of Practice. UKSA has therefore created the Office for Statistical Regulation (OSR) as that part of the organisation responsible for the Code of Practice and the assessment of National Statistics.

Nevertheless, the structure of UKSA leaves the Director of the OSR reporting to the National Statistician (NS), which is appropriate given the advisory functions of the NS, however the latter is also the Chief Executive Officer of the organisation responsible for all production activities and therefore the OSR is not seen to be the independent organisation that the United Nations recommends for a system of National Statistics. Moreover the intimacy of the two elements of producer and regulator within UKSA was recently evidenced by the promotion of Rob Kent-Smith to the post of Deputy Head of the OSR, a non-board position. Mr. Kent-Smith had earlier been responsible for the original BICS series of surveys conducted by the ONS in response to the Covid-19 pandemic, which surveys BSC had criticised for the failure to report the detailed response rates (see [Business Report](#)). In our opinion, although both the definition and the regulation of National Statistics need to be functions of the state, a least some of the production work can be provided by the marketplace. We also believe that the production and the regulatory functions should always be separated and we return to that in our concluding section.

As an aside we comment that the board is assisted with its obligations under clauses 10 and 12 of the 2007 Act by the Regulations Committee – previously known as the Assessment Committee. A review of the work of that committee (which is but one of 3 board subcommittees and 10 committees / panels advising the National Statistician) serves to emphasise the breadth of activity that UKSA is expected to cover and provides further evidence for considering dividing the organisation, to enable the different parts to be more effectively governed.

Topic 2 - Greater Accountability

The guide emphasises that “*Democratic accountability, and the robust debate it entails, helps to create better outcomes for the public*”

In theory, the obligations placed upon UKSA ensure that the organisation is fully accountable to the public, because the 2007 act imposes the duty for UKSA to work effectively with each of the administrations of Northern Ireland, Scotland and Wales as well as reporting to the London Parliament. However, this division of accountability to the separate national administrations does lead to some frustration to those who require access to fully compatible data across the whole of the UK. For example the reporting of the incidence of the Coronavirus in early 2020 lacked a UK summary and Tony Dent had written to

¹ ALB's are Arm's Length Bodies – i.e. not directly controlled by government.

ons.communications@ons.gov.uk on 21st April 2020 to complain “*The ONS has not, as yet, taken any steps to communicate the facts clearly - instead we get a jumble of figures and are completely lost between **where** (UK -v- E&W), **dates** (two weeks ago -v--yesterday) and **what** (Covid-19 -v- other causes)... most of us know that such statistics are only ever an estimate. No-one knows exactly how many people died in any week, at least not until many weeks afterwards (if then). So what is normally discussed is an **acceptable approximation**. Why has the National Statistician not set out a series of processes which will clearly give us a **best UK estimate** up to, say, last Friday, with interim measures for the UK as a whole each day? Instead we limp along with a variety of sources from various dates without any concerted attempt at a more current ‘best estimate’.*”

There is no record of any reply, although in a separate email exchange a member of the Health Data team advised that “*we are in discussion with National Records Scotland and NISRA (Northern Ireland) with a view to producing UK wide data*”. As far as we are aware nothing ever came of those discussions.

Possibly the most serious effect of the 2007 act in relation to the responsibilities of UKSA to satisfy the individual national assemblies, has been the manner in which the 2021 Census excluded Scotland, who conducted their Census one year later than the remainder of the UK. In the opinion of BSC this has created a number of difficulties, with unknown consequences; at least we are not aware of any attempt to measure the consequences. Certainly BSC have found it very difficult to obtain detailed UK population estimates for 2021, doubtless they will be available at some future date, however they will be less useful (please see further comment on revisions below).

Of course, the single most important aspect of accountability is the relationship of UKSA to the parliament of the United Kingdom. This is exercised through reporting to the Public Administration and Constitutional Affairs Committee (PACAC), most formally through meetings at which members of PACAC interrogate the principal officers of UKSA, who also respond to enquiries received from the chair of PACAC at any time – see [correspondence](#). Most notably PACAC undertook a review of UKSA in 2019, just 3 years after the Bean report had recommended a number of operational changes to the organisation. The resulting PACAC report, published 18th July 2019 and entitled ‘*Governance of official statistics: redefining the dual role of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007*’ had found that “*UKSA’s dual role of both producing and regulating official statistics has compromised its ability to ensure that statistics serve the public good. We therefore recommend that UKSA is split into two separate bodies: the Office for National Statistics and the Office for Statistics Regulation.*” In a response to the report dated 23rd October 2019, Kevin Foster MP, Minister for the Constitution had confirmed that the Government did not intend to act on this recommendation, in part justifying that decision with the comment: “*As the Committee pointed out, trust in official statistics has improved since the Authority was established, and I hope the Committee’s recommendations help to further strengthen the UK statistical system and the Authority’s position within it.*”

Ironically, the claimed improvement in trust in official statistics commented on by the PACAC committee coincided with methodological changes in the measurement of public trust and cannot be considered as evidence of a genuine improvement – see further below.

PACAC and UKSA met most recently on 23rd May 2023 and Tony Dent subsequent wrote to Sir Robert Chote explaining that, in his view, some of the information provided to PACAC by the UKSA officers had been misleading (see pages 19 to 24 of the attached bundle). There were 3 main items of concern:

- 1) The measure of public trust in statistics as discussed above – see quote from Mike Hughes on page 23 of the attached with the reference to ‘*mid-2000’s*’.
- 2) Sir Ian Diamond’s reference to the NSEUAC meeting held in March. Please see [presentation](#) for Tony Dent’s contribution to that meeting.
- 3) Sir Ian Diamond’s response to the question by John Stevenson MP, which did not acknowledge any controversy concerning the results of recent Census in respect of Gender identity.

Better Statistics primary concern is, however, the imbalance between the importance of UKSA’s activities, covering so many areas of central concern to the effective governance of our society, and the lack of time that parliament actually devotes to UKSA. We return to this matter in the final section.

Topic 3 - Reduced Burden on the Taxpayer

Although the UKSA review is relieved of the obligation to suggest significant savings because of the recent expenditure review, Better Statistics believe that there are a number of areas where savings can be made. We are, of course unaware as to what extent the suggestions offered below have already been considered, or of the specific cost savings that may be achieved, we nevertheless consider they are worth mentioning:

- a. Contracting out more production activities.
- b. Increasing the list of authorised sub-contractors
- c. Reducing the number of statistics subject to revision to those truly necessary and of some use.
- d. Reducing the number of statistics and data series produced to those truly necessary and of some use.
- e. Rationalising the various websites – there are 9 different websites for UKSA’s various activities. They are expensive to maintain and confusing to the user.
- f. Reconsider ESCoE and other development work

With regard to item d. see attached page 25, Tony Dent obtained this list in 2016 as the complete list of statistics produced by the ONS at that time. We were unable to get an up to date list when we last attempted to do so in February 2022.

Better Statistics was disappointed by the publication of the ESCoE report in February 2020, because it failed to take forward measurement of the Gig economy. This had been commented on by the Bean report of 2016 and remains a primary concern of BSC. Our disappointment was multiplied by the lack of attention to some basic standards as expressed to Professor Paul Allin, at that time chair of SUF. The comments made included the following remarks *“it isn’t user engagement they need - it is training in basic standards for presenting / communicating their work. Users cannot engage when the ONS simply obfuscates methods*

and processes and operates as if statistics is something for (some) academics only.” The BSC discussion paper on the ESCoE report was published as [“How successful is ESCoE?”](#)

Subsequent reports and conferences by ESCoE have produced many papers across many different areas of interest to economists and we believe that at least some of the money spent could be saved, without loss of any benefit. In particular, we question the value of the experimental work by the ONS on scraping internet prices for inflation measurement and that of exploring ideas for measuring core inflation. We consider that both these areas would be more appropriately investigated by post graduate work, than by the ONS. In our opinion the latter should concentrate on developing the Household Cost Indices (HCIs), as promised in 2017, however we understand that the latest cost review has resulted in stopping the work on HCIs. This decision is both contrary to previous assurances and is likely to ensure that the public will remain largely alienated from understanding the calculation of this most important National Statistic (see pages 3 to 11 of the attached bundle).

The paper “How successful is ESCoE” also comments on the reporting of the Economic Statistics and Analysis Strategy (**ESAS**), which reporting ceased in 2018. Subsequent annual reports from UKSA have seemed to BSC to be less informative of genuine progress and more exercises in propaganda, a charge we also place on ESCoE reports.

Topic 4 - A culture of efficiency and transparency

The guide provides a number of observations that may be considered to be particularly relevant to UKSA, in particular the requirement that the board should *“ensure that decisions are taken with an appropriate understanding of the needs of citizens and communities in all parts of the UK, underpinned by UK-wide data and evidence.”*

Pages 16 and 17 of the addendum provides evidence of our concern that UKSA increasingly fails to achieve that objective, particularly with the drive to digital methods. Difficulties with self-completion surveys do not just exclude the increasingly small numbers of persons without access to the Internet, but they also disenfranchise those who are less fluent in the use of English, including those with difficulties in reading and writing. What is of most concern to BSC is that genuine representation is rarely if ever considered by the OSR, who regularly approve work which is not underpinned by UK-wide data. The assumption is that Bayesian modelling will always deal with any response bias, which is simply not true.

The failure to consider such matters in detail is contrary to a proper consideration of the code of practice in OSR’s appraisals and calls into question the accuracy of a significant amount of work, not only with such measures as the public’s trust in statistics but also with such major projects as the Covid-19 Infection Survey, the methods for which lack the transparency that would allay any such concerns.

It is our belief that the OSR’s failure to hold the ONS to a proper test on transparency for much of their work is due to the present structure of UKSA and underpins our support for change. However, regardless of any change of structure, BSC hope that the Review will take this opportunity to firmly establish the principle that all calculation methods should be described and justified with evidence and that the code of practice should always be adhered to, particularly in respect of transparency.

It is also of concern to BSC that there is a lack of transparency as to how calculations of confidence intervals are achieved, particularly where modelling has been used to create the published estimates.

Conclusion:

Although we are aware of some advantages with the present structure for UKSA, we believe that public confidence in National Statistics require that the OSR should be separated from the remainder of UKSA and it must be seen to be fully independent of the executive function.

With regard to the role of the National Statistician (NS), the 2007 act specifies two primary functions:

- a) To act as the principal advisor to the board of UKSA on
 - a. the quality of official statistics,
 - b. good practice in relation to official statistics, and
 - c. the comprehensiveness of official statistics.
- b) To be the chief executive of the board, directly responsible for the production of all statistics throughout the various elements forming UKSA.

The executive responsibilities have increased significantly since 2017, one example being the introduction of the Analysis Function resulting in a change of job title to "*Head of the Analysis Function and National Statistician*". Moreover, the 2007 act is explicit in providing the National Statistician with full responsibility for every aspect of the UK statistical system with the exception that: "*The National Statistician may not exercise the functions of—*

- a. *determining under section 10 whether to adopt a code as the Code of Practice for Statistics or to revise the Code, or*
- b. *determining under section 12(1) or 14(1) whether any official statistics comply with the Code.*"

Both these exceptions are specifically reserved as decisions for the whole UKSA Board and, of course, the National Statistician does advise on each of them. In our opinion the proposal to split UKSA would place the advisory functions of the National Statistician with the regulatory regime.

With regard to consideration of reporting to Parliament we consider that the new structure needs to take account of two factors that did not exist at the time of the 2007 Act. They are:

- 1) The growth of 'big data' and the corresponding extension of statistics of various kinds across society. Associated methods include the increasing use of 'black box' models and the development of Artificial Intelligence algorithms used increasingly for decision making.
- 2) The democratic deficit inherent in the current structure.

The ideal of ensuring that the production of statistics shall be independent of government underlies the 2007 act, but the reason for the phrase '*lies, damned lies and statistics*' is that statistics are often chosen for a specific purpose and the methods used to calculate them can be the subject of legitimate debate. A clear example has been the removal of the RPI from the list of National Statistics in 2013, followed now by the intention to re-introduce it officially in 2030, basing the 'new' RPI on the methods presently used for the current CPIH. Although this move has been opposed by many influential bodies including the Royal Statistical Society, UKSA has used its independence under the 2007 act to impose a questionable decision upon us all.

The primary reason claimed for this situation has been claimed as a concern to meet for International standards, however many countries who use the equivalent of the CPI as their 'official' (macro) measure of inflation, use a separate index to reflect the rise in prices experienced by their population. The meeting of the Technical Committee of the Advisory Panel on Consumer Prices held on 9th October 2020 confirmed to Sir Ian Diamond that there is not a consensus internationally in respect of a suitable 'domestic' index (see point 3.4 of the [minutes](#) of that meeting), there is therefore no genuine international pressure behind the decisions of UKSA on this issue.

The confusions created by UKSA's decisions concerning the measurement of inflation was a specific reason for PACAC's recommendation for an independent regulator in 2019 and for some change in the relationship with parliament. Events since then have further confirmed the need for democratic oversight, not least the failure of UKSA to provide responses to BSC's requests for information relating to the expensive Covid-19 Infection Survey (CIS). We consider the fact that the OSR did not investigate the failure of ONS to provide the information requested by BCS further emphasises the need to divide the two primary functions of UKSA and to introduce more democratic accountability into the system.

Possibly, PACAC's suggestion that a suitably authorised committee consisting of members of the House of Commons and the House of Lords could overcome the democratic deficit, although it may be argued that only a committee of members of the House of Commons would convey the right authority. From the perspective of BSC, any **consistent** parliamentary interest in the subject of our National Statistics can only be a good thing, particularly with the continued growth of digital methods. We can see no other way of protecting the public interest and truly ensuring that our National Statistics can be for the public good. No other organisation has the necessary authority to judge the public good effectively.

It may be argued that to divide UKSA in the manner suggested is too complex a matter for Parliament to consider at this time. However we disagree. In our opinion the regulatory powers could be vested within the Information Commissioner's Office simply by extending the powers of the latter. With the growth of statistics arising from all sorts of data sources, we believe that it has become necessary to regulate everybody responsible for holding, analysing or publishing data. The ICO's powers already extend to the two former activities why not the latter?