



UK Statistics Authority

ANNUAL REPORT AND RESOURCE ACCOUNTS 2008/09

VOLUME I – ANNUAL REPORT



IMPARTIALITY

IN THE PUBLIC INTEREST

HONESTY

TRUTHFUL AND OPEN

PROMOTING

PUBLICATION OF STATISTICS

OFFICIAL STATISTICS

FOR GOVERNMENT AND SOCIETY

COMPLIANCE

WITH THE CODE OF PRACTICE

SAFEGUARDING

PUBLICATION OF STATISTICS

INTEGRITY

IN THE PUBLIC INTEREST

RELEVANCE

INFORMED DECISION-MAKING

UK Statistics Authority

ANNUAL REPORT AND RESOURCE ACCOUNTS 2008/09

VOLUME I – ANNUAL REPORT

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You can find out more information about the UK Statistics Authority at: www.statisticsauthority.gov.uk

More information about other statistical releases can be found at: www.statistics.gov.uk

Further information about the Office for National Statistics can be found at: www.ons.gov.uk

Foreword

This is the first Annual Report of the UK Statistics Authority. It brings together several separate elements into one report for the first time.



The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007* and reports directly to Parliament and the devolved legislatures.

The Authority's statutory objective is to promote and safeguard the production and publication of official statistics that serve the public good.



The Office for National Statistics (ONS) is the Executive Office of the UK Statistics Authority and is the UK's single largest statistical producer. It is the internationally recognised National Statistical Institute of the UK.



The Government Statistical Service (GSS) is a network of professional statisticians headed by the National Statistician. There are nearly 1,300 GSS members operating both within ONS and across more than 30 other government departments and agencies.

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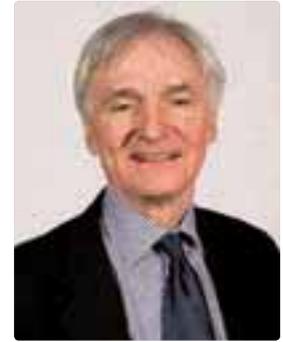


UK Statistics Authority Resource Accounts

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007* and reports directly to Parliament and the devolved legislatures

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Chair's Report



Sir Michael Scholar KCB

This is the first Annual Report of the UK Statistics Authority. The Authority assumed its statutory responsibilities, as set out in the *Statistics and Registration Service Act 2007*, in April 2008. Our first year has been one in which we have laid the foundations for our work and developed a substantial agenda. That agenda will evolve, but is already presenting some important challenges both for the Authority and for the UK statistical service.

Our objective is to promote and safeguard the production and publication of official statistics that serve the public good. As an independent body, at arm's length from government, we report to the UK Parliament and the devolved legislatures directly on the exercise of our functions. In practice, we have reported to, and been scrutinised by, the House of Commons Public Administration Select Committee (PASC) and we expect to report similarly to the relevant committees of the legislatures in Scotland, Wales and Northern Ireland in due course.

Our statutory framework requires us to publish and maintain a *Code of Practice for Official Statistics*, and we published the first edition of this in January 2009 alongside a report on the extensive consultation which informed the content of the new *Code*. This was a milestone for us, and we have been pleased with

the positive response to the *Code* from both inside and outside government.

A crucial feature of the *Code* is that it applies to each body – be that a government department or agency – that produces official statistics, not just to the professional statisticians themselves. It is also broad in scope and includes among its 74 main imperatives one to 'ensure that those producing statistical reports are protected from any political pressures that might influence the production and presentation of the statistics'. Perhaps inevitably, a *Code* that addresses such matters so directly drew us immediately into controversial waters.

In the course of the year, we commented on some statistics that were not released in accordance with the *Code of Practice*. Sometimes this was because the body responsible regarded the statistics as research findings rather than as official statistics, and thus free to be released as part of a government statement rather than in a formal statistical release independent of policy comment. This is an old and problematic demarcation line but one that now urgently needs to be clarified.

We have commented on some cases of premature use of official statistics, that is before publication, and on one occasion we intervened when official statistics

had been released against the advice of professional statisticians.

We also commented on, and made recommendations in relation to, a statistical release published by the Office for National Statistics (ONS) which was the subject of political and media controversy. This case, which related to statistics on the country of birth and nationality of workers in employment in the UK, resulted in a hearing of PASC in March 2009 and demonstrated that, the complex new statutory regime is functioning properly, in the exercise simultaneously of our two distinct roles – as both a producer of, and a wholly independent regulator of, official statistics.

These examples serve to illustrate that the Authority, with the support of Parliament, government, and the Government Statistical Service (GSS) made a determined start in its first year. We took satisfaction from a statement issued by the Royal Statistical Society (RSS) in March 2009 which concluded that the Authority had passed its ‘first tests with distinction’ while recognising that there is still much to be done.

Alongside the *Code*, we published a report in January 2009 identifying some 340 sets of official statistics that were at that time not designated as National Statistics. The significance being that

those statistics are not currently subject to formal assessment against the *Code of Practice*.

Among the 340, we identified some 11 sets of statistics that the Authority believed should, in the public interest, be subject to assessment against the *Code*, and we then wrote to the appropriate ministers inviting them to consider our views – as we are required to do under the legislation.

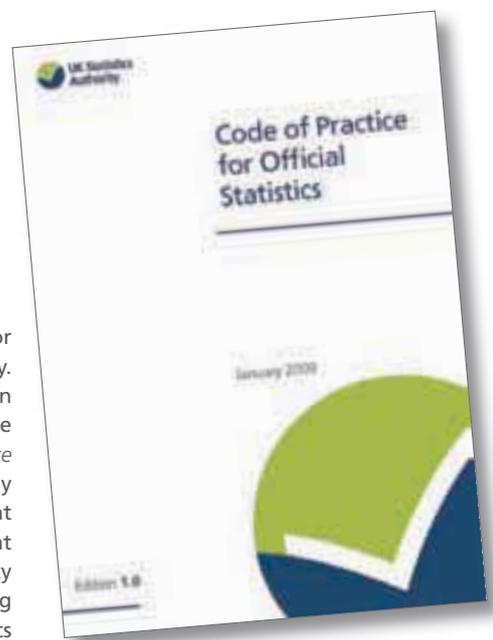
This procedure, which is required by the *Statistics Act*, seems to be working well and we will be looking to identify other sets of statistics in a similar way.

Open access and good communication are of the first importance for official statistics. At the beginning of the year, in April 2008, we launched the National Statistics Publication Hub, which is managed by ONS and will be developed to be a one-stop shop for users to access a vast array of official statistics from a large number of producer organisations.

A second phase of development of the Hub went live in March 2009. The Authority has committed significant resources to this project and we hope it will be seen in time as delivering substantial benefits for all users of official statistics.

Another feature of our first year was a rapidly growing body of ‘casework’

A milestone for the Authority. Published in January 2009, the *Code of Practice* applies to any government department or agency producing official statistics



– matters about which people had written to us, or issues relating to official statistics which we felt warranted closer inspection. The investigation of matters arising from the correspondence and casework, while provided for in general terms in legislation, is supplementary to the more formal assessment of sets of statistics against the *Code of Practice*.

Such investigations are a necessary function of the Authority, and can provide independent reassurance to those who raise concerns with us. Further information about the issues that we have investigated during the year can be found elsewhere in this report.

We have established arrangements for the Authority's non-executive oversight of ONS. Formally, ONS is part of the Authority, although management of the office is fully delegated to the National Statistician.

ONS is a substantial non-ministerial government department in its own right and in order to achieve effective oversight of it, the Authority has established the ONS Board under the chairmanship of Lord Rowe-Beddoe, one of the two Deputy Chairs of the Authority.

We also established our Monitoring and Assessment team, based in London, Newport and Edinburgh. The team, led by the Head of Assessment, has a

wide remit to carry out independent investigations and assessment of official statistics against the *Code of Practice*, under the supervision of the Authority's Committee for Official Statistics, chaired by Professor Sir Roger Jowell, the other deputy chair of the Authority.

It became apparent during the year that there are a number of substantial issues which need to be considered by the Authority which go beyond those matters addressed in the *Code of Practice*.

These included the Authority's views on ministers' new rules on pre-release access to statistics, the publication of statistics in the form of research findings or management information (both of which are argued by some to be exempt from the requirements of the *Code*) and the use of official statistics after publication in policy documents and other statements made by government.

This agenda of issues 'beyond the *Code*' was the subject of lively dialogue with senior officials across government throughout the year and some important conclusions emerged.

Sir Gus O'Donnell, the Cabinet Secretary, issued further guidance to government departments on these matters on two occasions, the content of which we fully support and welcome.

In his first letter in January 2009, the Cabinet Secretary wrote to Dr Tony Wright MP, the Chair of PASC. Sir Gus emphasised three important things.

First, that the new *Code* is not just for statisticians who produce National Statistics, but covers all officials and advisers who use or quote official statistics.

Second, that there will only be success in building trust if attention is paid to all numerical information, including from administrative sources, and if it is not confined just to the outputs of statistical surveys and other data managed by the GSS.

Third, that professional statisticians should be involved at every stage in the process of publishing official statistics, and that any concerns that statisticians may have are listened to and addressed.

In Sir Gus's second letter, in February 2009 to permanent secretaries, he provided guidance for non-statisticians working in government on how best to use and work with official statistics. Non-statisticians are encouraged to involve statistical professionals at an early stage when preparing publications containing statistics, including those drawn from administrative or management information. Unpublished statistics should not be used without the

advice of statistical professionals, and the selective quotation of favourable data should not be made from unpublished datasets.

Publications containing official statistics should provide information as to their quality, reliability and usability, and decisions on statistical matters taken by statistical professionals are to be deemed as final. Sir Gus also emphasised that pre-release access to official statistics should be regarded as a privilege, and the unauthorised disclosure or alteration of statistical information is not permitted. Contravention of these principles may be regarded as a breach of the *Code of Practice* and may result in an investigation by the Statistics Authority, and a published report made to Parliament.

We expect to publish during 2009/10 detailed information on how the Authority itself will approach matters left undetermined in the *2007 Act*, with a view to supplementing the *Code* with more wide-ranging guidance on statistical good practice.

Turning to members of the GSS, the National Statistician and I made a series of visits together throughout the year to meet statisticians in the bodies that produce and use official statistics. Other members of the Authority Board also visited and met a range of the statisticians in government. These meetings have

“ Our formal role is to promote and safeguard the production and publication of official statistics that serve the public good ”

helped to deepen our understanding of how statistics are produced, managed and published on a day-to-day basis.

I have been impressed by the way statisticians, typically working within tight resource constraints, seek to deliver a service in increasingly innovative ways. The UK Statistics Authority will continue to support professional statisticians in their work, encouraging them to enhance further the service they provide to the many different communities of statistical users.

As we grow more familiar with the detail of what they do, I expect the Authority to be able to hold up many examples of excellent service delivery, and boost the recognition of these professionals inside and outside government.

The statistical service is, in some respects, constrained in its work by the lack of availability of certain sources of non-statistical information on which it depends.

One example of this which causes the Statistics Authority real concern is the absence of a complete and up to date high quality National Address Register – essentially a list of all residential addresses. The statistical needs for such a register are well established. It would underpin the quality of the population Census and make more

achievable current proposals to replace future, very costly, censuses with other approaches to gathering the information required. It would also support more accurate population estimates and other household data in non-census years.

These arguments have been recognised by Parliament and government alike. Both the Treasury Select Committee's *Counting the Population 2008* report and the Government's *Power of Information Taskforce Report 2009* recommended the 'creation of a freely available single definitive address and postcode available for the UK for (re)use'.

ONS is carrying out painstaking work to amalgamate the two best national sources of addresses (the National Land and Property Gazetteer and the Royal Mail Postcode Address File) for use in the 2011 Census, and adding further to the quality by undertaking its own address checking and verification.

But, this Census Address Register is being built for the sole purpose of the 2011 Census and will not be re-usable under the terms of the agreements ONS has been able to negotiate with address suppliers. Even if new agreements were able to be negotiated, the register would quickly fall into disuse unless some body took responsibility for continually updating the register. This is not something the Authority itself can

put right, as an address register is not a statistical product, nor one that should be exclusively available to government.

There have been failed attempts in the past to rectify this omission and the Authority believes it is now time for decisive action. We will be pressing the case for this in the year ahead.

The Statistics Authority has a UK-wide remit, and we are seeking to ensure that there is as much coherence as possible between the statistics produced by all four administrations.

Since our launch in April 2008 we have developed our communication with each of the devolved administrations although we still have some way to go in putting all the necessary arrangements in place. We are grateful to the ministers and officials in the devolved administrations who have advised on and supported our early steps.

The Authority enjoyed the hospitality of the Scottish Parliament at a launch event in Edinburgh in June 2008, and I welcomed the opportunity to meet the staff of the Northern Ireland Statistics and Research Agency at their conference in September 2008.

The Authority looks forward to developing its accountability to the Scottish Parliament, National Assembly for Wales, and Northern Ireland Assembly

on matters relating to devolved statistics in the year ahead.

The Authority greatly values its dialogue with the Royal Statistical Society (RSS) and Statistics User Forum (SUF). Earlier this year, the RSS set out a number of priority topics on which the Society wanted to engage the Authority. This was the start of what I hope will be a fruitful alliance. The Society is one of the world's foremost learned societies for the statistical profession and it offers a great wealth of expert advice. The SUF, representing some 16 separate user groups, is supported by the RSS and Economic and Social Research Council and offers us a vital insight into the perspective of users of official statistics outside the government mainstream.

We look forward to working with the Society and the Forum to ensure the user voice remains both at the heart of the statistical service and the focus of Authority attention. We have started work on a report on ways better to identify and strengthen the user voice.

Our report will include an interview survey of leading user voices and other commentators. This will provide invaluable evidence for the Authority in establishing the values and priorities of the user community, and how the Authority should develop its work in future.

“ The Statistics Authority has a UK-wide remit, and we are seeking to ensure that there is as much coherence as possible among the statistics produced by all four administrations ”

In concluding my report on 2008/09, I would like to pay special tribute to Dame Karen Dunnell DCB, the National Statistician, who is retiring in 2009. Karen has worked in official statistics for over 30 years, and since 2005 has led, with great distinction, both ONS and the GSS. She has most effectively both overseen the transition to the new legislative framework and dealt with the many challenges and opportunities associated with it. The Authority wishes her well for the future.

I would also like to acknowledge the contribution of the non-executive members of the Statistics Authority. The non-executives began in April 2008 as members of a completely new structure with no history or culture of its own. They brought with them a wealth of experience in business, academia and public service. Their contribution is outstanding and invaluable.

During the year, the Statistics Authority, supported by the new legislation, by Parliament and by government, laid its own foundations. On occasion the Authority has faced the criticism that by investigating concerns, some of which may prove to have little substance, it is undermining, rather than enhancing, public trust in the statistical service.

We take the view, however, that it is essential to examine and report frankly on such matters to Parliament and the public. In time, we believe that our impartial investigations will be seen as evidence that the UK statistical system is strong and open, and able to make changes where this is in the public interest.

Our aim is to build trust in the statistical system as a whole, including in the Authority itself. To achieve this requires both that the statistical outputs provided to the user are demonstrably worthy of trust and that all those involved are seen as ready to address the need for improvements.

We have shown our independence and our commitment to building trust in the UK statistical service. Our goal is simple – to safeguard the production and publication of official statistics that serve the public good. Although progress towards this goal is rarely straightforward and may often be controversial, we believe that we have made a sound start in what will be a long journey.

Michael Scholar

**Sir Michael Scholar KCB
Chair, UK Statistics Authority**

July 2009

About the Authority

Establishment and Membership

The UK Statistics Authority was established under the *Statistics and Registration Service Act 2007* and on 1 April 2008 formally assumed its powers. The Authority is an independent statutory body. It operates at arm's length from government as a non-ministerial department and reports directly to Parliament and the devolved legislatures.

The Chair of the UK Statistics Authority is Sir Michael Scholar KCB. Sir Michael was appointed Chair of the Authority by the Queen following an open competition.

The appointment was subject to a pre-confirmation hearing by the House of Commons Treasury Select Committee and a formal debate on the floor of the House. Sir Michael took up his post as Chair-designate in September 2007.

The eight other non-executive members of the Authority were appointed through open competition, some after consultation with the devolved administrations. During 2008/09 they were:

- Lord David Rowe-Beddoe of Kilgetty – Deputy Chair of the Authority with responsibility for the governance of the Office for National Statistics (ONS)
- Professor Adrian Smith – Deputy Chair of the Authority with responsibility for oversight of the UK official statistics system (to 31 August 2008)
- Professor Sir Roger Jowell CBE – Deputy Chair of the Authority with responsibility for oversight of the UK official statistics system (from 11 November 2008)
- Mr Partha Dasgupta
- Ms Moira Gibb CBE
- Sir Alan Langlands FRSE
- Professor Stephen Nickell CBE FBA
- Professor David Rhind CBE FRS FBA

The Authority has three executive members. During 2008/09 they were:

- Dame Karen Dunnell DCB – National Statistician. The National Statistician is a Crown appointment and a member of the Authority under the provisions of the *2007 Act*
- Mr Richard Alldritt – Head of Assessment (from 1 May 2008). The Head of Assessment is a statutory appointment under the provisions of the *2007 Act*. Mr Alldritt was appointed a member of the Authority by the non-executive members
- Mr Steve Newman – Chief Financial Officer of ONS. Mr Newman was also appointed a member of the Authority by the non-executive members

Members of the UK Statistics Authority

Chair



Sir Michael Scholar KCB

Deputy Chairs



Lord Rowe-Beddoe
of Kilgetty



Professor Adrian
Smith



Professor Sir Roger
Jowell CBE

Executive Members



Dame Karen Dunnell
DCB



Mr Richard Alldritt



Mr Steve Newman

Non-Executive Members



Professor David
Rhind CBE FRS FBA



Ms Moira Gibb CBE



Sir Alan Langlands
FRSE



Professor Stephen
Nickell CBE FBA



Mr Partha Dasgupta

Functions and Scope

The UK Statistics Authority has two principal statutory functions:

- governance of the Office for National Statistics (ONS), the UK's National Statistical Institute and largest producer of official statistics
- independent scrutiny of all official statistics produced in the UK, through monitoring and assessment against a *Code of Practice for Official Statistics*

The Authority is required to promote and safeguard the quality and comprehensiveness of official statistics, and ensure good practice in relation to official statistics. It is responsible for producing and maintaining the *Code of Practice* and for taking action when there are infringements of the *Code*.

It is also responsible for devising and conducting a programme of assessments to determine which official statistics may be accredited as National Statistics and to publish lists of those statistics each year. It is the Authority's duty to report any concerns about the quality of official statistics it may have to Parliament or to the devolved legislatures.

The *2007 Act* gave the UK Parliament, or in the case of wholly devolved statistics

the devolved legislatures of the UK, the responsibility for determining:

- the arrangements and procedures for access to official statistics before their publication in final form
- which bodies, other than Crown bodies, may produce official statistics and therefore be subject to the provisions of the *Code*
- what data may be shared between the Authority and other public bodies for statistical purposes

The UK Government introduced three Orders¹ relating to these matters which were approved by Parliament and brought into force during the year 2008/09. In addition, two Orders were brought into force by the Scottish Parliament² and one by the Northern Ireland Assembly³.

Aims and Objectives

The Authority's statutory task of 'promoting and safeguarding the production and publication of official statistics that serve the public good' is set in broad terms. The role of the Authority is to ensure that official statistics are produced and used for the public good, not necessarily for the benefit of government alone.

“ The Authority aims to enhance trust in the statistical system, in terms of quality, political independence and impartiality ”

During the year the Authority has developed a set of high level aims and objectives to reflect the legislation and to guide its actions.

The UK Statistics Authority aims to ensure that:

- the right range of statistics are produced
- high and consistent professional standards are maintained
- official statistics are well explained, including strengths and weaknesses – leading to better decision-making in the public interest

By so doing, the Authority aims to enhance trust in the statistical system, in terms of quality, political independence and impartiality.

In order to achieve these aims the Authority's objectives, or tasks, are to:

- support the National Statistician in improving statistical planning (decisions on what statistics will be produced and in what form) taking systematic account of user needs
- use its scrutiny powers to ensure high and consistent professional standards across all producers of official statistics
- work with the statistical service to help improve communication of statistics and related advice to users

- build confidence in the statistical service, and in the Authority, among those people who use official statistics

The UK Statistics Authority has four principal mechanisms by which to achieve its objectives:

1. Systematically assessing compliance of official statistics with the *Code of Practice*, and investigating and reporting independently on major issues
2. Direct responsibility for the governance of ONS
3. Working with the statistical service to design and implement improved procedures where the need for this is identified
4. Reporting to Parliament and advising government about any aspects of the statistical service, or the use of official statistics, about which the Authority has concerns

These mechanisms relate to three different, but overlapping spheres of the official statistics system: the Authority's scrutiny function, the Office for National Statistics and the wider Government Statistical Service (GSS). This structure helps shape, in turn, the structure of this report.

Structure of this Report

This report is divided into the following main chapter sections.

- **Chapter 2** reports on the Authority's scrutiny function as conducted by staff of the Authority. It begins with an introduction by Mr Richard Alldritt, the Head of Assessment who leads the programme on behalf of the Authority.
- **Chapter 3** reports on the work of ONS, the country's National Statistical Institute and single largest producer of official statistics. It begins with an introduction by the National Statistician, Dame Karen Dunnell DCB, in her capacity as Chief Executive of ONS.
- **Chapter 4** details some of the significant development work being carried out by statisticians across the GSS and the Northern Ireland Statistics and Research Agency (NISRA). It begins with an introduction by the National Statistician, Dame Karen Dunnell DCB, in her capacity as Head of the GSS.

In addition, Chapter 5 of this report contains summary financial and management information while Chapter 6 (Volume II of this report) contains the full Resource Accounts for the financial year.

Reporting to Parliament

The UK Statistics Authority is an independent statutory body that reports to the UK Parliament and to the devolved legislatures on the exercise of its functions. The *2007 Act* sets out how the Authority will produce a report to Parliament and the devolved legislatures on what it has done during the year, what it has found during the year and what it intends to do during the next financial year⁴. This Annual Report fulfils that responsibility.

The Authority attaches particular importance to its direct reporting and overall accountability to the UK Parliament and devolved legislatures. The Chair, the Deputy Chair (ONS), the National Statistician and the Head of Assessment have given oral evidence to the House of Commons Public Administration Select Committee on several occasions since April 2008, and the Authority looks forward to similar opportunities to discuss the work of the Authority with other UK Parliament committees and the devolved legislatures, as required.

The Authority hosted a parliamentary event in November 2008, which a number of MPs, Peers, and parliamentary officials attended.

“ The Authority is supported by a small headquarters staff comprising the Authority’s Central Office ”

The Authority will be looking for further opportunities to engage with Parliament and the devolved legislatures during 2009/10.

Also in 2009/10, the Authority plans to develop further the measures by which it reports on its activities and offer Parliament some indicators by which the outcomes of those activities may be assessed. Specifically, the Authority will look to measure its performance in the coming year by:

- an account of delivery against statutory and other commitments, including an assessment of the outcomes of interventions made by the Authority set against its aims and objectives
- a study comprising interviews with selected experts and opinion formers across the official statistics system to have an independent appraisal of the Authority’s performance
- a sample survey of the general population to gain a broader measure of public feeling

The Authority in 2008/09

The remainder of this Chapter sets out how the Authority has decided to manage and communicate its work in

2008/09, the internal organisational structures it has established to manage its business, the staff it has to support it and the ways in which it makes transparent its activities.

Organisation

The 11 executive and non-executive members constitute the Board of the UK Statistics Authority, the Authority’s governing body. The Board is chaired by Sir Michael Scholar. It met on 11 occasions during 2008/09. Prior to the formal assumption of its statutory responsibilities on 1 April 2008, members of the Authority met on 2 February 2008 and on two subsequent occasions.

The Authority Board has established sub-committees to support it in its work and which report to it. During 2008/09 these were:

- the ONS Board, chaired by Lord Rowe-Beddoe, the Authority’s Deputy Chair with responsibility for ONS. The ONS Board oversees the strategy and priorities of ONS and monitors the ONS budget and work programme. During 2008/09 it met on nine occasions

- a Committee for Official Statistics, chaired by Professor Sir Roger Jowell, Deputy Chair with responsibility for official statistics. The Committee provides oversight of the UK official statistics system, including its scope and capacity and the extent to which it meets the full range of user needs. During the year it met on four occasions
- an Audit Committee, chaired by Professor David Rhind. The Committee's remit concerns risk management and control and governance within the Authority. It met four times during 2008/09
- a Risk Committee, chaired by Professor Stephen Nickell with responsibility for assessing and managing risk across the statistical system. The Committee met twice during 2008/09
- in addition, the Authority has also established a Remuneration Committee to oversee the remuneration of the members of the Senior Civil Service (SCS) employed by the Authority and ONS. The Committee will consider remuneration of members of the SCS for the period 2008/09. It is chaired by Lord Rowe-Beddoe

The Authority Board agreed in March 2009 that the Audit Committee will assume the responsibilities of the Risk Committee.

The diagram opposite shows these committees and how they relate to the organisational structures of the ONS and the GSS.

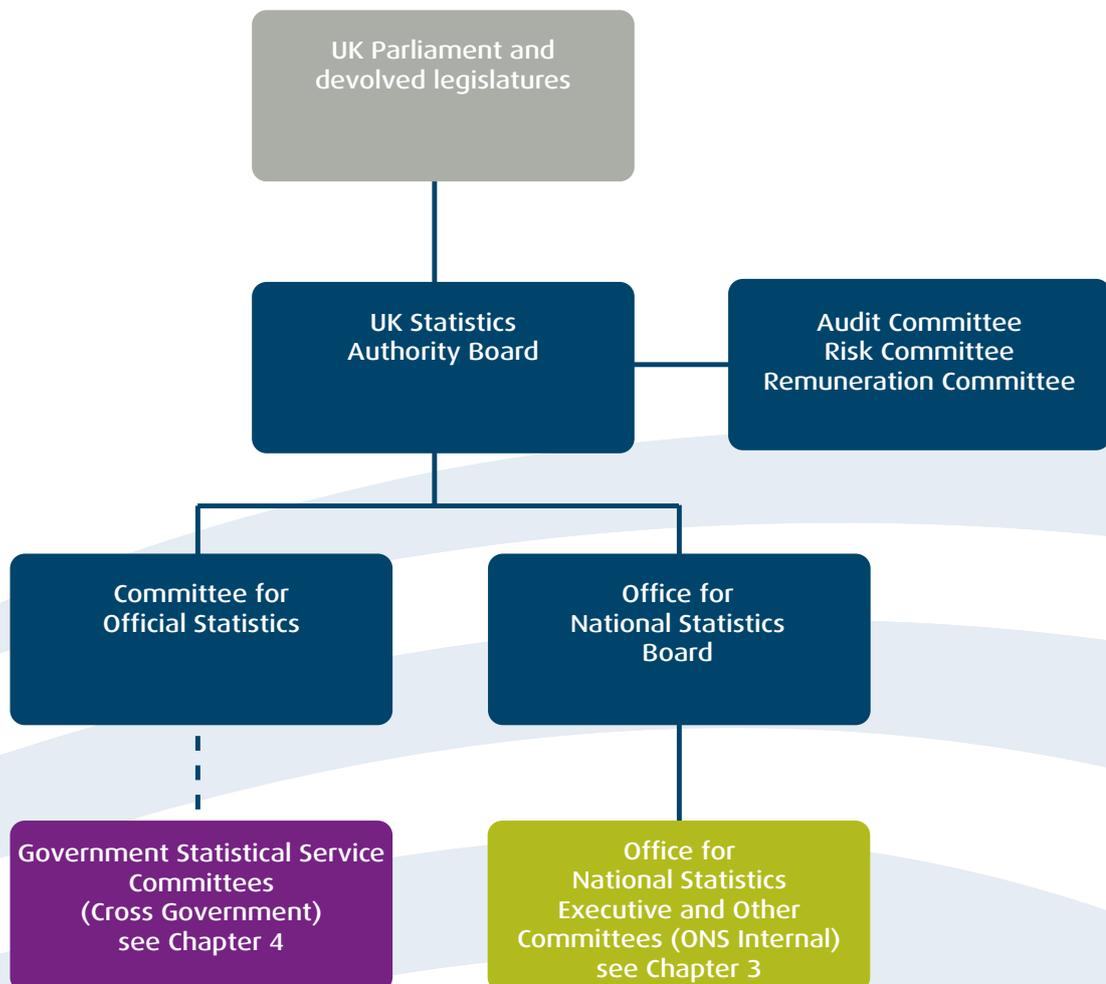
Central Office of the UK Statistics Authority

The Authority is supported by a small headquarters staff comprising the Authority's Central Office. The Central Office is responsible for scrutinising rather than producing statistics. It is led by the Head of Assessment and has two main areas of responsibility which are:

- monitoring and assessment of Official Statistics. The functions and activities here are further discussed in Chapter 2 of this report
- provision of secretariat and support functions to the Chair and members of the Authority, its Board and committees. The Head of Secretariat may report directly to the Chair in the exercise of these functions

“ The Authority attaches particular importance to its direct reporting and overall accountability to the UK Parliament and devolved legislatures ”

Organisational Structure





The Authority provides a monthly diary on its website: www.statisticsauthority.gov.uk

The Central Office began recruitment of staff in 2008 and by 31 March 2009 had 20 staff which equated to 18.9 Full Time Equivalents (FTEs). Of these, seven were primarily engaged in secretariat functions, although the role also involves working closely with the monitoring and assessment functions. Recruitment is currently under way of a further six monitoring and assessment staff, which will bring the total to 26, equating to 24.0 FTEs.

The principal responsibilities of the Secretariat are to manage the business of the Authority Board and its committees; to manage the Authority's public face including its website, public enquiry facilities and programme of events; to coordinate and manage its casework and formal correspondence; to assist the Board in the development and implementation of its policies and to provide other support and advice to Authority members as required.

Engagement and Transparency

Since its launch on 1 April 2008, the Authority has sought to build good relations with the statistical user community, in particular the Royal Statistical Society (RSS) and Statistics User Forum (SUF).

“ The Authority operates transparently and openly. It publishes the minutes and papers of its meetings on its website, together with a monthly report on its activities ”

The Authority provided financial support for the SUF's annual conference in November, and it is currently in discussions with the SUF to establish a seconded post to provide administrative support for the SUF to begin during 2009/10.

Sir Michael Scholar delivered a keynote speech to the annual conference of the RSS in September 2008 and he and other members of the Authority have participated in a range of user events and meetings organised throughout the year.

The Authority operates transparently and openly. It publishes the minutes and papers of its meetings on its website, together with a monthly report on its activities, correspondence regarding issues of public concern and information about other aspects of its work.

Since June 2008 the Authority has also maintained an issues log which is routinely updated on the Authority website. The issues log lists those issues raised with the Authority. It is an important mechanism by which the Authority decides on how to respond to issues of public concern and determine its forward work programme for monitoring and assessment.

The Authority's central email enquiry point, authority.enquiries@statistics.gov.uk, has been operational since 1 April 2008. Enquiry handling is managed by the Secretariat. The central telephone enquiry line 0845 604 1857 has also been operational since 1 April 2008. Since January 2009 calls have been handled through a dedicated service for the Authority managed by the Office for National Statistics Customer Contact Centre.

The Authority's website, telephone and email enquiry services are at the forefront of the Authority's public 'face'. The Authority's website will be further developed and improved during 2009/10, in consultation with users and stakeholders, to ensure it is as accessible and informative as possible.

Notes on Chapter 1

- 1 *Pre-Release Access to Official Statistics Order 2008, Official Statistics Order 2008, Official Statistics Order 2009*
- 2 *Pre-Release Access to Official Statistics (Scotland) Order 2008, Official Statistics (Scotland) Order 2008*
- 3 *Pre-Release Access to Official Statistics Order (Northern Ireland) 2009*
- 4 *Statistics and Registration Service Act 2007 – Section 27*



The Authority's statutory objective is to promote and safeguard the production and publication of official statistics that serve the public good

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Head of Assessment's Introduction



Mr Richard Alldritt

Scrutiny of Official Statistics

The role of Head of Assessment was created in April 2008 under the terms of the *Statistics and Registration Service Act 2007*. It is a statutory office with specific responsibility to advise the UK Statistics Authority in relation to the formal assessment of official statistics against the requirements of the *Code of Practice for Official Statistics*.

The initial challenges facing me as the first Head of Assessment included one that was obvious and one that was less so. The obvious one was that the formal assessment function could not be taken forward until the Authority had introduced a revised *Code of Practice*, as required by the Act. Public consultation on a draft *Code* ran from July to September 2008 and the *Code* itself was published in January 2009.

In the latter months of 2008, detailed discussions took place about the many views and questions raised by respondents to the consultation. One indication of the impact of the consultation was that we were able, in the light of the points made, to trim the number of requirements in the *Code* by about a third.

Several thousand copies of the first edition have now been distributed both within government and externally.

The *Code* is the pivotal element in the scrutiny of official statistics, but it is not set in stone. We will look at its effectiveness as a tool to maintain and enhance statistical standards over the first few years of the new statutory arrangements and we may then want to make proposals for its further development.

The less obvious challenge was that formal assessment against the *Code of Practice* was not the only responsibility that would fall to the Head of Assessment. The legislation did not specify other roles, but nor did it preclude them; and it did include some new requirements which needed to be addressed.

In particular, it gave the Statistics Authority a broad remit to monitor the production and publication of official statistics and report any concerns it had about quality, good practice or comprehensiveness.

The Authority decided that, just as with formal assessment, parts of this wider role, to which we gave the name 'Monitoring', should be brigaded together with the formal assessment role.

So with the two parts of this role in mind, I worked with a small group of colleagues throughout the year to establish the Authority's Monitoring and Assessment team and put in place two sets of procedures: those leading to 'Monitoring Reports', essentially reports on broad issues commissioned by the Authority; and those leading to assessment reports, which were to be more standardised reports arising from formal assessment against the Code.

At the end of the year, both monitoring reviews and assessment reviews were in train though we had yet to publish the first formal assessment report. With some 1,200 sets of National Statistics waiting on assessment, priority was given to developing an efficient, and not too burdensome, process of assessment that could still be searching and authoritative.

We have now laid the ground for a procedure that we believe will meet the remit over the years to come.

In 2008/09 we established the role and tested out most of its components. In 2009/10, we will give priority to the statutory assessment reports while further building and defining our part in the broader monitoring role.

We will also be giving time and attention to explaining these new roles to everyone affected by them.

Chapter 2 gives more detail on what we have done so far and our plans for the future.



Mr Richard Alldritt
Head of Assessment,
UK Statistics Authority
July 2009

Monitoring and Assessment Report

2008/09 was a year of establishment – of the Monitoring and Assessment team, of assessment, of the monitoring function, of the team’s working methods, and of some significant milestones in the scope of official statistics and the remit of the Authority.

The Monitoring and Assessment Team

The Head of Assessment was appointed in May 2008. During the year the team has been gradually built up, with recruitment at its London, Newport and Edinburgh sites.

The team comprises individuals with varied analytical backgrounds – statistics, social research, accountancy, economics and communications.

Monitoring

Monitoring Reports

Monitoring Reports are broad reviews designed to fulfil the Authority’s statutory function¹ to monitor the production and publication of official statistics and report publicly.

These reports are produced with the involvement of government and external experts, and user interests, but reflect the

Authority’s views, independently of the producers of official statistics.

The first three Monitoring Reports – ‘*Official Statistics Serving the Public Good: Consultation on the Code of Practice*’, ‘*Code of Practice for Official Statistics: Report on the Consultation and the Principles and Procedures for Assessment*’, and ‘*Priorities for Designation as National Statistics*’ – have been published.

The first Monitoring report to address a specific statistical topic – ‘*Progress with Improving Migration Statistics*’ was published in interim form in April 2009; an open meeting and further discussions with experts then took place ahead of publication of the final report, planned for July 2009.

Reviews are also underway on ‘*Strengthening the User Voice*’ and ‘*Barriers to Trust in Relation to Crime Statistics*’ and a statement on further priorities and timetable for the Monitoring Reports has been published on the Authority’s website.

One change has been the withdrawal of a planned report considering arrangements for longer-term planning for official statistics.

The launch of a new statistical planning and horizon-scanning approach across the Government Statistical Service (GSS) made it superfluous at this stage. Monitoring Reports on environment statistics and communicating measures of inflation will be started in 2009/10, as will a report on the impact of the pre-release access to official statistics orders.

Monitoring and Assessment Notes

Monitoring and Assessment Notes are short reports produced by the Authority in response to concerns relating to a particular set of statistics or issue. In considering whether such a Note should be prepared, the Authority has regard to the level of interest in the issue, to the relevance of the issue to maintaining trust in the statistical service, and to the potential for the work to identify messages of wider relevance.

Between October 2008 and March 2009 the following Monitoring and Assessment Notes were published:

- Volatility of the Retail Sales Index
- UK Consistency of Hospital Waiting Times
- Knife Crime Statistics – a Review Against the *Code of Practice*
- Presentation of Statistics in First Releases and Elsewhere

- ONS News Release on UK Born and Non-UK Born Employment

The third in the list above, the Note published in January 2009, looking at a Home Office Knife Crime Fact Sheet in relation to the *Code of Practice for Official Statistics*, led to substantial debate within and outside government.

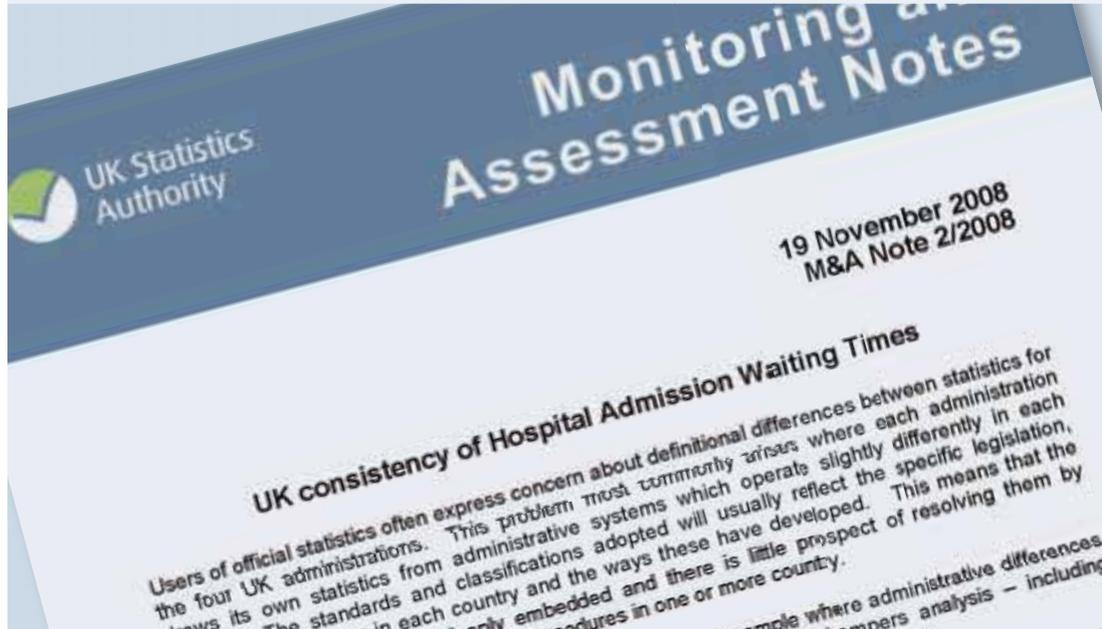
A hearing of the Public Administration Select Committee considered the matter and, following that, the Cabinet Secretary, Sir Gus O'Donnell issued new guidance to the Civil Service regarding good practice in relation to official statistics and the role of government statisticians.

Issues Log and Casework

An 'issues log' is maintained on the Authority's website, as a public record of matters which have been drawn to the Authority's attention.

Inclusion of an issue in this list does not necessarily indicate that the Authority shares the views of the person who raised the matter, or that the Authority is committed to further action.

It is simply a record of those matters that have been raised. It is used internally by the Monitoring and Assessment team in planning its work and some of the matters are followed up and result in investigation or review.



Monitoring and Assessment Notes are short reports produced by the Authority in response to concerns relating to a particular set of statistics or issue

An analysis of the issues shows that many of them fell into the following categories:

- principles and practices governing the release of official statistics
- trustworthiness, quality, or reliability of statistics including issues of designation of statistics currently beyond the scope of official (or National) statistics
- clarity of the communication of official statistics
- methodological or technical aspects regarding the coverage and classification of official statistics
- legal or quasi-legal issues, including legal requirements (such as Census, business surveys) and issues relating to the disclosure of personal information
- lack of availability of official statistics
- coherence and consistency of official statistics, including geographical (UK or sub-national) consistency and coherence with non-official statistics

Assessment

The *Statistics and Registration Service Act 2007* requires the UK Statistics Authority to:

- prepare, adopt and publish a *Code of Practice* for Statistics

- re-assess all National Statistics against the Authority's *Code of Practice*
- assess against the Authority's *Code*, any official statistics not currently designated as National Statistics that are proposed by ministers as candidate National Statistics

Consequently, the Authority consulted publicly on a draft *Code of Practice for Official Statistics* between July and September 2008. The *Code* was subsequently published in its first edition in January 2009. Meanwhile, an initial programme of Assessments against this *Code of Practice* – essentially a set of prototype reviews to test the process – was developed and announced, covering the following statistics:

1. Migration Statistics (Office for National Statistics)
2. Road Freight Statistics (Department for Transport)
3. Road Casualty Statistics (Department for Transport)
4. Emissions of Carbon Dioxide for Local Authority Areas (Department for Energy and Climate Change)
5. Prison Population Projections (Ministry of Justice)

6. Statistics on International Development (Department for International Development)
7. Enrolments at Schools and in Funded Pre-School Education in Northern Ireland
8. Recorded Crime in Scotland
9. Children Looked After by Local Authorities (separate publications for each of England, Wales, Scotland and Northern Ireland)
10. Statistics from the National Drug Treatment Monitoring System (National Treatment Agency for Substance Misuse)

This initial programme was designed to cover a range of surveys and administrative sources, and departmental and devolved administration responsibilities. The process will be further refined in the light of experience from this first tranche of assessments and it is planned that the assessment process will reach full speed from September 2009.

Assessments are to be conducted according to the Principles and Procedures for Assessment² published alongside the *Code of Practice for Official Statistics* in January 2009.

Guidance has been developed on the Assessment process and the evidence to be submitted in support of the process. All such guidance, as well as the evidence and other supporting documentation will be made publicly available on the Authority's website.

At the time of preparing this Annual Report, all planned assessments in the above list have been initiated and are at different stages of progression, with the exception of '*Emissions of Carbon Dioxide for Local Authority Areas*' which has been deferred in order to enable early assessment of statistical releases on Energy Sector Indicators and Fuel Poverty Indicators (at the request of the Department of Energy and Climate Change).

Breaches of the Code of Practice

Government departments and other producers of statistics are required to report breaches of the *Code of Practice* to the Authority.

The breaches relate to the *Code of Practice for Official Statistics* from 6 January 2009 and to the former *National Statistics Code of Practice* prior to that. Breaches of the separate Pre-Release

“ Government departments and other producers of statistics are required to report breaches of the *Code of Practice* to the Authority ”

Access Orders are also reported as they are an integral part of the *Code of Practice*. In practice, the breaches reported tend to relate only to release practices. Non-compliance with other parts of the *Code* are addressed in the Assessment process instead.

Most breaches during the year related to pre-release access, in one of two forms. First, some statistics were inadvertently released early to individuals or groups (typically within the producer body) who should not have had access to them. Second, some statistics were released into the public domain ahead of their scheduled release.

The Authority checks that corrective action is taken to prevent such breaches being repeated. A body responsible for a breach of the *Code of Practice* is expected to issue an initial public statement explaining the breach on both its own website and the National Statistics Publication Hub, as soon as it is aware of the facts and ideally no later than the time of the publication of the relevant statistics.

Since January 2009, the Authority has usually published a statement to accompany the breach reports when they are themselves published.

The list of breaches of the National Statistics *Code of Practice* (in force until 6 January 2009) during the 2008/09 financial year is as follows:

- Early release of Retail Sales statistics April 2008 (Office for National Statistics)
- Early release of Insolvency Statistics Q1 2008 (The Insolvency Service)
- Insufficient pre-announcement of release of Market Sector Gross Value Added (Office for National Statistics)
- Early release of statistics on Motoring Offences (Ministry of Justice)
- Early release of PSA3 Progress Report (Department for Culture Media and Sport)
- Early release of 2007 Mid-Year Population Estimates for Scotland (Scottish Government)
- Publication of disclosive data in Small and Medium Enterprise Statistics for the UK 2007 (Department for Business Enterprise and Regulatory Reform)
- Late postponement of pre-announced release of Mortgage and Landlord Possession statistics (Ministry of Justice)
- Early release of statistics on Self-Directed Support (Direct Payments), Scotland 2008 (Scottish Government)

- Early release of Dental Data relating to 2007/08 (NHS Information Centre for Health and Social Care)
- Early release of Recorded Crime in Scotland 2007/08 statistics (Scottish Government)
- Early release of Hospital Episode statistics – Knife Wounding (NHS Information Centre for Health and Social Care)
- Breach of pre-release access rules for statistics on Hospital Outpatient Activity, 2007/08 (NHS Information Centre for Health and Social Care)
- Inadvertent disclosure of personal details to care homes as part of the Scottish Care Homes Census 2009 (Scottish Government)

The list of breaches of the *Code of Practice for Official Statistics* (in force from 6 January 2009), or in the case of the separate Pre-Release Access Orders, from December 2008 is shown below. These breaches are described in more detail in breach reports published on the UK Statistics Authority's website.

- Early release of statistics on UK Emissions of Air Pollutants 2007 (Department for Environment Food and Rural Affairs)
- Breach of pre-release access rules for Cancer Survival statistics (Office for National Statistics and Department of Health)
- Early release of Insolvency Statistics Q4 2008 (The Insolvency Service)
- Breach of pre-release access rules for Public Sector Finances, January 2009 (Office for National Statistics and HM Treasury)

Looking Forward to 2009/10

Looking forward to 2009/10, the Monitoring and Assessment functions of the Authority will continue to be developed throughout the period with two main focuses: Assessment Reports and Monitoring Reports.

The first set of reports under the statutory Assessment regime will be produced. The first three reports are: statistics from the National Drug Treatment Monitoring System, statistics on Enrolments at Schools and in Funded Pre-School Education in Northern Ireland and statistics on Recorded Crime in Scotland were published in June 2009. Subsequent reports from the initial phase of assessments will be published over the summer.

“ The Authority checks that corrective action is taken to prevent such breaches being repeated ”

Plans and procedures for a more streamlined approach to assessment will be implemented from July 2009. Forward timetables and plans for Assessment reports will be published in Autumn 2009.

Further development of the planned Monitoring reports and related work will take place during the year. At present, the priorities are the reports on:

- barriers to trust in crime statistics
- measures to strengthen the user voice in relation to all official statistics
- the communication of inflation and prices
- the adequacy of environmental statistics
- the review of the Government's arrangements for pre-release access to statistics

The Monitoring and Assessment team will also continue to provide responsive advice to the Authority Board independently of the producers of official statistics.

This includes investigating possible breaches of the *Code of Practice* and the *Pre-Release Access Orders* and considering issues raised in correspondence

Notes on Chapter 2

- 1 *Section 8 of the Statistics and Registration Service Act 2007*
- 2 A statutory requirement under section 17 of the *Statistics and Registration Service Act 2007*



Office for
National Statistics

3

The Office for National Statistics (ONS) is the Executive Office of the UK Statistics Authority and is the UK's single largest statistical producer. It is the internationally recognised National Statistical Institute of the UK

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Chief Executive's Introduction



Dame Karen Dunnell DCB

It has been a year of change, challenges and success. The *Statistics and Registration Service Act 2007* came into force on 1 April 2008. The Office for National Statistics (ONS) became the Executive Office of the UK Statistics Authority, which was newly created as a non-ministerial department reporting directly to Parliament through the Public Administration Select Committee (PASC). This has provided exciting opportunities to work towards our main objective – providing high quality, trusted statistics and analysis about the UK.

Rapid social and economic change has meant that our statistics are both in greater demand and under greater scrutiny than ever before. In a fast moving world we continue to change to meet the needs of an online generation and improve the impact and accessibility of our statistics for all.

Successes have been many. Our staff excelled, making sure that all our key statistics were released on time. And we have made progress on major projects, from developing improved statistics on migration, to preparing for the 2011 Census – a massive project which will deploy 35,000 staff and reach 25 million households.

We have begun the updating of our websites starting with a new Publication Hub, which at 9.30am presents all statistics from across government being published on that day.

I am also pleased that ONS continues to take its social responsibilities seriously. We've developed closer ties with the local community and charity groups and made headway in improving the sustainability of our buildings and reducing our carbon footprint.

Of course, there have been challenges. Among them are dealing with budget reductions, reducing staff numbers and relocating to our headquarters in South Wales. It is a tribute to our staff that we have met these challenges and continued to produce high quality statistics throughout 2008/09.

Karen Dunnell

Dame Karen Dunnell DCB
Chief Executive,
Office for National Statistics
July 2009

Office for National Statistics Annual Report

ONS Mission, Vision and Values

Trusted Statistics – Understanding the UK

Mission

The ONS mission is to improve understanding of life in the UK and enable informed decisions through trusted, relevant and independent statistics and analysis.

Vision

At the heart of decision-making and opinion-forming, ONS will be a prestigious place to work, a world leader, innovative, geared for change and delivering more with less. Continuous improvements to systems will allow for more analysis while maintaining the high quality of ONS statistics.

Values

ONS is committed to the Civil Service core values of integrity, honesty, objectivity and impartiality. ONS also lives by its own organisational values, which are central to delivering its vision in its own unique circumstances. ONS recognises and values:

- **Respect** – ONS staff respect the background and lifestyles of every colleague, their skills, contributions and potential
- **Commitment** – ONS staff are committed to high-quality statistics and analysis, professional standards, keeping data confidential, open communication, personal responsibility for delivery, and the development of personal and organisational capabilities
- **Flexibility** – ONS staff view change as an opportunity and continually seek improvement. They have a broad corporate view and respond to the overall needs of the organisation
- **Results** – ONS staff focus on customers and suppliers and their changing needs, embedding quality into ONS products and processes, providing value for money and delivering commitments

Strategic Aims

ONS's strategic aims are to:

- provide authoritative, timely, and accessible statistics and analysis that enable decision-making across UK society, anticipate needs and support public accountability
- be a trusted and leading supplier of national government statistical expertise and surveys

Independence day – April 2008. ONS unfurls its new corporate identity in Newport, South Wales



- maintain a dynamic portfolio of statistical sources which reflects changing data needs
- deliver the sources portfolio in a way which meets user expectations of quality, within the available resources
- minimise the burden on respondents for all survey collections
- ensure our people, systems and processes are able to develop the current business and respond rapidly to changing demands
- identify social and technological changes that will impact on what we do and how we do it

ONS Achievements

Summary

ONS has continued to deliver high quality statistics throughout 2008/09. At a time of rapid economic and social change, these have been reported on and scrutinised more than ever before.

Appropriately, ONS's focus has been on improving the accessibility, relevance and understanding of its statistics.

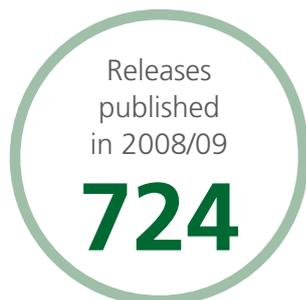
Among its major successes throughout the year, ONS has:

Statistics

- maintained and delivered its wide portfolio of statistical releases and surveys, publishing 724 releases, 714 of them to schedule
- developed better population statistics and new estimates for short-term migrants
- begun detailed work to prepare, recruit and train for the 2009 Census Rehearsal and 2011 Census itself in England and Wales, with proposals for questions laid before Parliament in a White Paper in December 2008
- published articles designed to make statistics more accessible or understandable

Technology

- built a new online Publication Hub to publish National Statistics across all government departments
- continued to modernise, including the use of new systems for the production of National Accounts



Delivering statistics

Finance and Human Resources

- made savings of £33 million over the last four years
- reduced staff numbers by 570 full time equivalents (FTEs) over a four year period to a total of 3,156 as of 31 March 2009
- relocated over 400 posts to date out of London to new corporate headquarters in Newport, South Wales, and its offices in Titchfield, Hampshire, including 90 in 2008/09
- vacated the Drummond Gate office in London and moved into the former Family Records Centre in Myddelton Street, Islington
- created an Assessment Centre for researchers, analysts and statisticians that has recruited over 100 new staff in support of relocation
- the UK's National Accounts (such as Gross Domestic Product, National Income and Expenditure)
- population, demography and migration
- government output and activity
- business output and activity
- prices (such as consumer and producer prices)
- the labour market (such as employment, unemployment and earnings)
- vital events and health statistics (such as births, marriages, morbidity and deaths)
- statistics about specific regions and the places people live
- social statistics (for example, about families and ways of living)

ONS Achievements in 2008/09

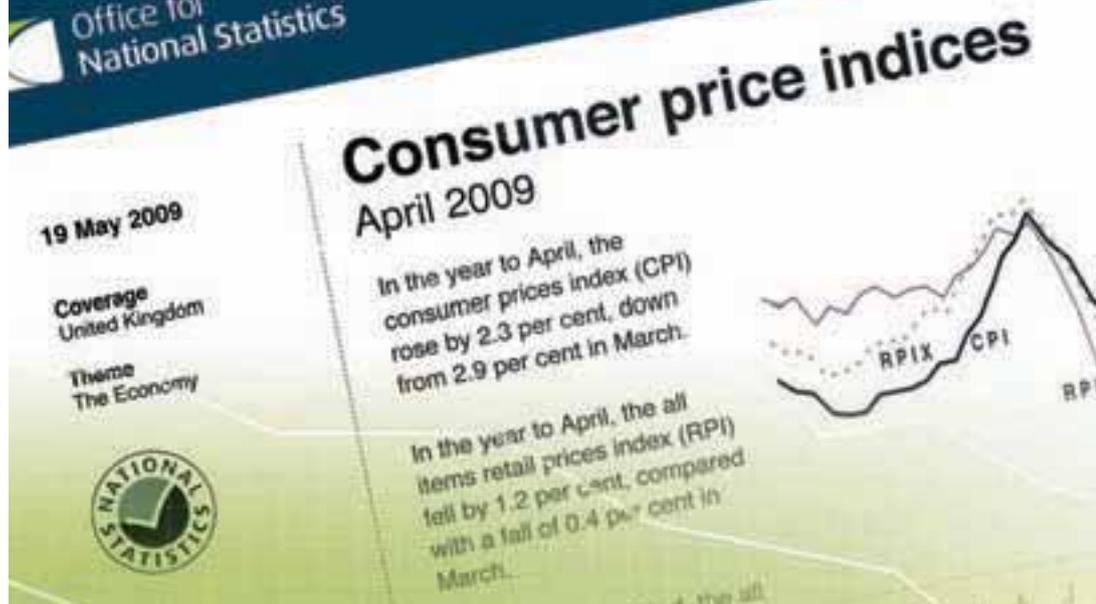
Delivering Statistics

Each year ONS produces hundreds of statistical releases – 724 in 2008/09. These cover a wide range of economic and social statistics, in both electronic and hard copy format, including:

In the last year, ONS has sought to improve the accessibility, relevance and understanding of its statistics, while maintaining or improving their quality and timeliness. There has been a particular focus on improving presentation and providing better explanation, including:

- regular engagement with users, through groups such as the Royal Statistical Society (RSS) and the Statistics User Forum (SUF)

Measuring inflation. Published monthly, the Consumer Prices Index (CPI) is the main UK measure of inflation and one of the most keenly awaited releases



- products tailored to reflect social and economic changes including a series of National Statistician's Articles providing detailed analyses of statistics about changes to the UK economy, regional economies, social inequality, and population
- improvements to press briefings and specific publications such as the *Economic & Labour Market Review*
- seminars up and down the country (for example, on plans for 2011 Census).

ONS statistics have been under close scrutiny in the past year, particularly as the economic downturn gathered pace. Production of information about the state of the economy, used by the Bank of England (BoE) and HM Treasury (HMT) to set interest rates and fiscal policy, continued to a high standard and with improvements in some areas.

The quality of price statistics – the ongoing Consumer Prices Index (CPI) and Retail Prices Index (RPI) – were successfully maintained despite difficulties following the change in the VAT rate on 1 December 2008, which led many shops to adjust till prices, but leave shelf prices unchanged.

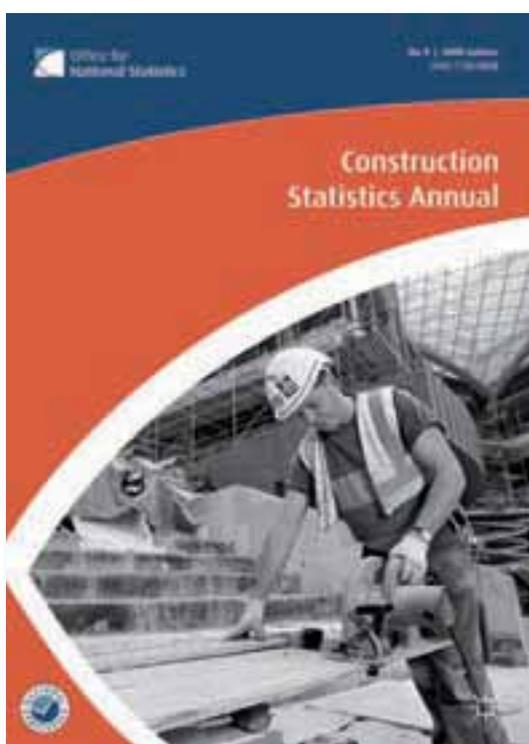
ONS also set up a special project to look at what could be done quickly to improve the relevance of its work during the financial crisis. Working with a wide range of partners, this will result in improved source data and presentation, more in-depth analysis of particular statistics, and improved coverage of public finances and financial markets.

Each year, ONS faces huge challenges in gathering the data necessary for producing statistics. Surveys provide one of the most valuable sources of data. ONS carried out 80 business and 12 social surveys in 2008/09. Around 1.4 million questionnaires were sent to businesses and 600,000 households were interviewed. Developing efficient collection methods and maintaining high response levels are key priorities.

ONS also has to balance the need to gather enough data to produce quality statistics with the need to reduce the burden on survey respondents. ONS's third *Simplification Plan*, published in December 2008, shows that ONS is on target to reduce the cost to businesses of responding to its economic surveys by nearly 20 per cent by 2010 (from a 2005 baseline).



ONS Achievements



Transferring Construction Statistics from BERR was completed successfully in 2008/09

ONS has continued to make publicly available the data used to produce statistics, while ensuring that personal details are always kept confidential. This has proved of great benefit to a range of researchers, including academics, private companies, charities and national and local public bodies. Anonymised data has continued to be made available with statistical releases on the ONS and NOMIS (a service which gives access to UK labour market statistics) websites, and through Virtual Micro-data Laboratories.

Data sharing regulations made in the provisions of the *Statistics and Registration Service Act 2007* allowed the Department of Children, Schools and Families (DCSF) to securely share parts of English school pupil records with ONS. This is vital to improving local population estimates.

The transfer of Construction Statistics from the Department for Business Enterprise and Regulatory Reform (BERR) was completed successfully in 2008/09.

Statistical achievements by ONS are underpinned by innovations in methodology and monitoring of quality. In doing this, ONS has worked closely with other statistical experts in 2008/09, including formal collaborations with academia, such as the University

“ In the last year, ONS has sought to improve the accessibility, relevance and understanding of its statistics, while maintaining or improving their quality and timeliness ”

of Southampton. ONS also provides methodological support to the wider Government Statistical Service (GSS). 2008/09 saw the development of a Methodology Consultancy Service (MCS) which will provide methodological support and training to public sector organisations on a cost recovery basis.

Starting up in April 2009, the MCS will spread best practice and help improve quality across official statistics.

International Activity

ONS is the UK's National Statistical Institute (NSI), for which there is a counterpart in most other countries. NSIs lead on international statistical matters for their countries and work with international organisations, such as the Organisation for Economic Cooperation and Development (OECD), United Nations (UN) and European Union (EU), in an international statistical community.

Many of the important challenges faced by people and governments today cross national boundaries. So it is vital that the community works together to provide relevant, timely, high quality and comparable statistics to help people better understand these phenomena.

In 2008/09, ONS continued to play a leading role in the development of the European and global statistical systems. Working closely with international statistical organisations and other NSIs, ONS has provided leadership in:

- supporting the development of international standards and methods
- promoting the innovative use of technology for the dissemination of statistics
- encouraging a reduction of the burden on survey respondents

ONS, with the assistance of colleagues from across the GSS, has continued to represent the UK at the EU Council Working Party on Statistics. In 2008/09, agreement was reached on a number of new EU regulations, including the key *Regulation on European Statistics*. This enables the modernisation of the European Statistical System through a new simplified legal framework.

ONS also continued to work closely with the Department for International Development (DFID) to help them in their goal of building statistical capacity in poorer countries, and thereby enabling better decision-making at the national and international level.



The 2011 Census in numbers

Data Security and Confidentiality

Ensuring the confidentiality and security of data provided to ONS from all its sources is a top priority. This is essential to producing high quality official statistics and maintaining the trust of the public. There is a strong legal framework within which ONS operates that provides safeguards for privacy. This is provided by *the Statistics and Registration Service Act 2007*, *the Census Act 1920*, *the Statistics of Trade Act 1947*, *the Data Protection Act 1998* and *the Human Rights Act 1998*.

The cross-government *Data Handling Review* was commissioned by the Prime Minister following the high profile loss of data by a government department in October 2007. ONS was already a long way towards meeting many of the requirements identified by the *Review*, but as a result ONS is now:

- operating with clearer lines of accountability
- implementing technical and process improvements which will help to reduce further the risk of error or external attack
- reinforcing a culture that places the secure use of the information at the heart of everything it does

Counting the population. The 2011 Census on March 27 will be the culmination of one of ONS's biggest projects, engaging 35,000 field staff and reaching 25 million households



A detailed report on the ONS response to the *Data Handling Review* is given in Chapter 5.

Key Projects

In 2008/09, ONS successfully delivered or developed a number of major projects that will help deliver its overall strategy and vision. These will also help to raise the profile of official statistics nationwide.

Census 2011

The next Census in 2011 will help to inform the decision making for £100 billion of public spending a year. Preparations are well underway and have involved planning for:

- the first Census which can be completed online
- recruiting 35,000 temporary field staff
- reaching 25 million households across the UK
- a Census Rehearsal of 135,000 households to be held in October 2009 in Lancaster, Newham and Ynys Môn (Isle of Anglesey). Experience in the rehearsal will feed into plans for the full Census on 27 March 2011.

In August 2008, a contract was awarded to Lockheed Martin UK to provide data capture, data processing, printing and

customer contact services. Capita was awarded a contract in March 2009 to provide recruitment, training and payroll services for ONS census field staff. Security and confidentiality of personal data has been and will continue to be our top priority in the design and build of all of the operational systems.

Proposals for the Census were laid before Parliament and the National Assembly for Wales in December 2008 in a White Paper containing details of the operational design of the Census and the questions proposed. This followed a three year consultation process.

Engagement with stakeholders continued through a number of routes, including roadshows at ten regional venues in England and Wales. All communication activities are unified by the census brand which asks stakeholders to '*Help tomorrow take shape*'.

Information Management

Transformation

Throughout 2008/09 ONS has focused on expanding and rebuilding its Information Technology (IT) systems, which are absolutely essential for the effective and efficient production and presentation of official statistics.



Distributing National Statistics to the wider statistics community – The Publication Hub

In March 2008, Fujitsu was contracted to provide part of ONS's Information Management Services. One of the aims of this is to improve the resilience of data by moving much of the infrastructure from outdated computer rooms to modern data centres.

In 2008/09, the London operations were moved to a Fujitsu data centre and plans are progressing to move other operations in 2009/10.

2008/09 also saw the introduction of a refreshed corporate IT Strategy. This sets out the basis for moving to sustainable and reusable technology that supports the ONS business strategy. ONS has endorsed the continued investment necessary over the next five years to achieve this.

i-Dissemination

The i-Dissemination Programme was set up in 2008 to build and launch new and more accessible websites for ONS and the UK Statistics Authority as a whole and provide a replacement content management system.

Two new website designs for the UK Statistics Authority and ONS were launched on 1 April 2008. Responsibility for the UK Statistics Authority website was then passed to the Authority.

Published four times a year, Population Trends contains the latest findings on population, births, deaths, marriages and migration



The programme has also delivered a revised version of the Publication Hub, which was made available to the public on 16 March 2009. The Hub distributes National Statistics for the wider GSS. This is independent of any political comment.

As such it is a key element in building public trust in official statistics. It includes:

- workflow and data submission mechanisms used by ONS and all other GSS members
- a cross government catalogue of National Statistics
- a new release calendar
- a new five-level taxonomy to replace the existing National Statistics Classification List (NSCL), to which all National Statistics and other products (official and experimental statistics) have been classified. The same taxonomy will be used on the new ONS website

Looking ahead, the i-Dissemination programme will provide:

- improvements to the new ONS website, with much improved navigation and search facilities
- a new and fully supported web hosting environment
- ongoing resources to support and improve the websites

Migration

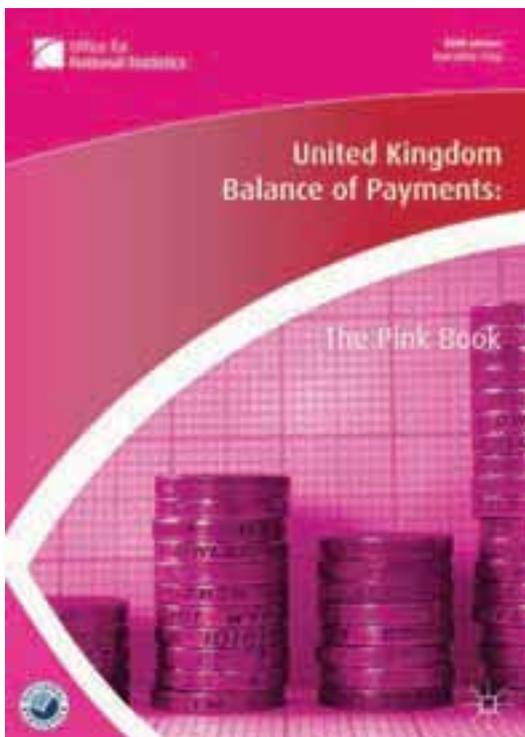
Migration statistics are rarely out of the news and are of huge interest to the public. To make sure people understand and trust migration statistics, a cross-government programme was launched to ensure that the statistics are:

- relevant
- using appropriate sources and methods
- accessible and clearly explained

This programme has been supported by a ministerial group and a group of senior officials across government.

Achievements of the programme to date have been:

- improvements to the *International Passenger Survey* to provide better estimates of people entering and leaving the UK
- gaining access to administrative sources such as the *Migrant Worker Scan* and *Schools Census* to provide better direct measures and indicators of migration
- producing new estimates of short term migration for people staying in the UK less than 12 months, who weren't included in the usual definition of migrants



Full estimates of the UK balance of payments measuring the economic transactions between UK residents and the rest of the World appear in the annual 'Pink Book'

- developing innovative techniques for modelling migration patterns
- capturing information on migrants typically missed from household surveys by piloting a *Communal Establishment Survey*
- launching a new quarterly coherent release of population and migration statistics from across government

National Accounts

Modernisation and Relocation

The National Accounts provide crucial insights into developments in the UK economy. They include key outputs such as Gross Domestic Product (GDP) and the Balance of Payments. Ongoing efforts to modernise the systems used to produce the National Accounts have resulted in:

- the use for the first time of the re-engineered data management system to provide the inputs to the annual balancing process. Thirteen business systems were developed to support this process and they are currently handling around 200 million statistical observations in each run
- revised plans for the next phase of work, which will aim to ensure early delivery of key changes to improve methods, underpinning systems and the overall quality of the National Accounts

Rewarding excellence – the Facilities Management Retender Project Team were winners of the leadership award



National Accounts work has also continued its gradual relocation from London to Newport during 2008/09. This has taken place based on detailed planning of recruitment and the transfer of knowledge and skills, while maintaining a focus on delivering key outputs to a high quality.

ONS Staff

At 31 March 2009, ONS employed a total workforce of 3,912 and an average of 3,156 FTEs in 2008/09. The year was again another challenging one with staff excelling by delivering high quality outputs, under increasing public scrutiny, at the same time as delivering efficiencies and relocation of posts.

ONS successfully developed and implemented a new Attraction and Recruitment strategy to ensure the success of the continuing relocation from London to Newport. A staffing strategy was also developed in Titchfield for the Census programme.

ONS retained its 'Investors in People' status and was commended by the assessor for exceeding required standards, with all 39 indicators showing 'significant improvement' since the last review in 2005.

As part of a continued commitment to building staff capability, a new suite of leadership development programmes aimed at all managers was developed.

The annual 'ONS Excellence Awards' in 2008 recognised and celebrated individuals and teams across ONS who had demonstrated excellence in achieving outcomes above and beyond general expectations. ONS was also a finalist in the Civil Service-wide e-Government IT Awards in 2008.

ONS has continued to work effectively with the trade unions, with regular local and departmental consultative meetings. Negotiations on pay and reward were successfully concluded with all three unions. Effective processes for information and consultation on a wide range of employee issues are in place to provide a means of quickly resolving individual or collective concerns.

ONS has continued to reduce levels of sickness absence. This is recorded in accordance with guidelines from the Cabinet Office and in the year 2008/09 an average of nine working days were lost per FTE. Work to make further improvements is in progress.



Social responsibility – ONS has developed close links with Duffryn High School including mentoring and secondments

Diversity

ONS is committed to:

- being an equal opportunities employer
- valuing and welcoming diversity
- all staff being entitled to work in an environment free from discrimination and harassment

A range of flexible working patterns are on offer to allow staff to balance home and work responsibilities, with staff being treated fairly, irrespective of their working arrangements.

In 2008/09, ONS:

- successfully developed and implemented a Single Equality Scheme
- maintained staff Diversity networks across all sites
- developed a programme of Impact Assessments for corporate and statistical policies
- set the diversity targets for Senior Civil Service posts as shown below

Table 3.1: ONS Senior Civil Service Diversity Targets, 2008/09

	Target	Achievement
Women	40%	28%
Ethnicity	2%	0%
Disability	2%	0%

A wood in the making. ONS staff on tree planting exercise in the hills above Usk



Social Responsibility

For many years, ONS staff have engaged in a variety of activities within wider society. The senior management team believes that ONS has an important role to play within the community and work is in hand to focus this effort. Success has already been achieved by:

- creating links with local communities and charities. In Newport, close ties have been built with Duffryn High School, with visits, mentoring and short secondments from pupils in the Finance Academy
- planting 1,200 trees in March 2009 – one for each member of staff based in Newport – on land provided by the Woodland Trust at a new wood called Cefn Ila, near Usk. More trees will also be planted at two additional sites closer to our Titchfield and Myddelton Street offices, at Otterbourne Park Wood in Hampshire and Theydon Bois Wood in Essex respectively
- promoting a healthy workforce. ONS has joined the Newport Health Board's 'Get Fit, Stay Healthy' scheme which offers people practical ways of dealing with health and stress issues. Efforts are being made to promote similar work at other sites

- exploring better ways to travel to work. In Titchfield, a scheme launched by the local car sharing group allowed staff to meet with Hampshire County Council, First Bus, Sustrans and the local bike shop

Efforts are being made to allow a better exchange of information and to offer advice on the opportunities for making a difference within the wider community. ONS has also benefited from becoming a Gold Member of the Business in the Community Scheme.

The National Statistician and others have also taken part in the Prince's Trust 'Seeing is Believing' scheme, again aimed at increasing awareness of community issues and identifying opportunities for volunteers to make a difference.

Efficiency

ONS faces a more challenging financial environment. Improving efficiency and effectiveness will be a permanent feature of its future strategy.

Building on the savings already delivered, ONS is now participating in the Operational Efficiency Programme; a central government initiative launched in July 2008. ONS is currently benchmarking its Finance, Procurement and Human

Resources functions with other public sector comparators to monitor and improve value for money performance. Once the benchmarking is complete, proposals will be put forward to address improvements required.

The Property Services Division recently participated in an Office of Government Commerce annual benchmarking exercise and compared favourably with both public and private sector equivalents.

Forward Look

Looking ahead, the overall priorities for ONS will be:

- delivering the current programme of statistics
- changing continuously to meet new demands
- managing its budget
- innovating methods and processes

ONS completed its planning for 2009/10 in February following wide consultation with users. It was a challenging process not least because of the large number of users, increased requirements, the already existing wide-ranging legal requirements to produce certain statistics, the commitments placed on ONS when the office budget was set, and the tight financial outlook. This has meant a

rigorous approach to setting priorities and not all requirements can be met. The priorities will be to:

- maintain the current portfolio of surveys and outputs and improve the way ONS communicates them
- meet the Comprehensive Spending Review (CSR) delivery commitments on the Census, migration and service sector
- continue the modernisation of the systems supporting the National Accounts
- move forward with the relocation programme from London to Newport and support redeployment of staff
- build on the Publication Hub with further web developments
- start to deliver the IT Strategy
- adopt new methods and processes to maintain quality and deliver more for less

The challenges in setting these priorities included the requirement to make year on year efficiency savings of at least five per cent in real terms. The funding settlement from the 2007 Comprehensive Spending Review also required ONS to maintain a strong focus on value for money to free up resources for reallocation to key priorities. ONS will continue to innovate and refresh its outputs.

“ The Bank of England particularly welcomed the efforts of ONS staff to retain the accuracy of the Consumer Prices Index at the time of the VAT reduction ”

Working with Stakeholders

There are a wide range of organisations which have a strategic interest in ONS statistics and/or the processes used to produce them. In order to be able to effectively manage these key accounts, ONS has a formal stakeholder engagement relationship with them.

Along with regular informal contacts, formal meetings take place every six months to ensure user requirements continue to be met and any new requirements are identified.

Stakeholder Assessment

Bank of England

‘Reflecting the views of the Monetary Policy Committee (MPC), the Bank of England regards ONS’s performance in 2008 as on balance satisfactory, but with room for further improvement. Most ONS statistics that the Bank uses are of good quality.

The Bank particularly welcomed the efforts of ONS staff to retain the accuracy of the Consumer Prices Index (CPI) at the time of the VAT reduction. ONS staff have continued to be of great assistance via a wide range working-level contacts. And having expressed some criticism twelve months ago, the MPC acknowledges the

efforts that have been made to make progressing some of the areas of concern.

But there remain some areas where the Bank feels there is continued room for improvement. As discussed in last year’s assessment, there have been delays in the project to re-engineer the National Accounts. That has meant that many of the expected benefits are yet to be delivered. ONS staff worked hard and delivered a balanced set of Accounts of broadly acceptable quality in terms of the main aggregates in *Blue Book 2008*.

Nevertheless, past problems have meant that current GDP estimates are less soundly based than would usually be the case. The MPC was also concerned about the accuracy of the retail sales volume estimates through much of 2008, and was frustrated at the delay in updating the base-year weights for the deflator.

The MPC welcomes the establishment of the UK Statistics Authority with its responsibility to promote, improve and safeguard official statistics across the United Kingdom.

Looking forward, the MPC also supports many of the plans the ONS has put in place for future work.

The ONS has consulted the Bank on a plan to re-focus the National Accounts modernisation programme. The Bank agrees with the urgency of this review and the need to have and to achieve realistic objectives. The ONS is best placed to judge how to deliver accurate National Accounts, but the Bank is keen to see output and deflator estimates based on the most up-to-date weights possible.

The Bank continues to attach a high priority to improvement to the quality of data on service sector output and prices, and looks forward to the implementation of the finding of the Average Earnings Index/Average Weekly Earnings review by Martin Weale. The Bank is pleased with the ongoing work to improve the quality of data on migration.'

HM Treasury

'The ONS has had to deliver against a background of continuing change, which includes progressing the relocation agenda and the statistical modernisation programmes while developing its relationship with the newly formed independent UK Statistics Authority.

Overall, the quality of the main outputs appears to have been maintained. We acknowledge that quality improvements were delivered to the National Accounts in the *Blue Book 2008*. The

modernisation programme continues to be under active management but challenges remain in delivering the statistical improvements specified in the original plans.

More generally, we are satisfied that the ONS continues to develop its future statistical work programme and we value the on-going stakeholder consultation. In particular, we welcome the work to improve migration statistics and the recent proposal for a short review of the existing business and social surveys to ensure they continue to fulfil stakeholder requirements.

Our customer relationships with ONS teams remain good, and engagement with staff in Newport is developing well following the relocation of the labour market and prices divisions in 2007/08.'

Department for Business Enterprise and Regulatory Reform (BERR)

'BERR places a high value on the business, labour market and macroeconomic statistics collected and published by ONS. These are an essential component of evidence based policy making in the Department.

“ The joint ONS/BERR project to transfer the collection of construction statistics has been a success and model for joint working ”

ONS outputs are produced to high quality standards and delivery is dependable and regular. Working relations between ONS and BERR statisticians are good and we are pleased to note a greater level of stakeholder engagement and consultation on changes to outputs over the last year.

The joint ONS/BERR project to transfer the collection of construction statistics has been a success and model for joint working. BERR analysts also welcomed the reintroduction of supply-use tables in the *Blue Book 2008* and look forward to forthcoming improvements in the National Accounts.

Our priorities for future improvements are: a speeding up of the regional GVA project, essential for PSA 7 and RDA evaluation; expansion of supply-use detail towards the level suggested in the National Accounts modernisation programme; and improved access to unpublished detailed data, for instance for the IoP.’

Scottish Government

‘Relationships between the Scottish Government and ONS over the last twelve months have been largely positive with most areas rating the relationship favourably in comparison with the previous year.

The decision to cut the sample size of the ASHE dataset was noted last year and the importance of consulting with stakeholders before such decisions are taken again was stressed this year. It was also noted that a lack of information around availability of regional data for both BERD and GERD figures had consequences for the associated Scottish publications.

Once again however, positive relationships with ONS staff were reported, particularly where a consistent point of contact had been established over time. In addition emphasis was placed on the importance of continued co-operation and of having formal structures in place in order to effectively contribute to work planning. There are some concerns about ONS seeking to collect information directly from Scottish Government staff – most recently on survey harmonisation.

The relationship with ONS around the release of regional statistics has improved over the last 12 months with much more consultation and closer involvement in early drafts and work plans though there is still room for improvement.

In some cases more thought needs to be given to UK analysis to ensure comparisons are made in a meaningful way, and only where appropriate, for example in the recent *Children and Young People* article.

It is hoped that the impending agreement between the devolved administrations and ONS in relation to section 20 of the Statistics and Registration Service Act will clarify, and hence improve, cooperation between the Scottish Government and ONS on statistics production and publication.'

Welsh Assembly Government

'The Welsh Assembly Government and ONS work together on statistics about Wales; with a generally good relationship between the two organisations. The Assembly Government considers the ONS performance for 2008/09 to be good and merit a '3' rating.

There is generally successful communication between the two organisations as they prepare for the 2011 Census and work on demography statistics for Wales. Examples are the 4-nations meetings about improving Migration Statistics and our relationship with the ONS Centre for Demography.

For the key sources of statistics about the labour market in Wales: There was a good level of collaboration in 2008/09 over the Labour Force Survey, the Annual Population Survey (APS) and the Annual Survey of Hours and Earnings (ASHE). Welcome developments were an APS household-level database and ONS's proposals to re-instate the sample size of ASHE.

For the Regional Accounts, we consider that ONS's primary focus should be on more conceptually coherent current price figures rather than on developing a constant price measure. ONS continues to measure successfully the changes in the short-term output of the production and service sectors of the Welsh economy for the Welsh Assembly.'

Northern Ireland Statistics and Research Agency

'The Northern Ireland Statistics and Research Agency are pleased to assess the ONS performance for 2008/09 as good. There are no major shortcomings and performance is comparable with previous years. Contacts have always been very helpful and positive and we are content that any issues are being dealt with.'

“ **ONS continue to measure successfully the changes in the short-term output of the production and service sectors of the Welsh economy for the Welsh Assembly** ”

Department of Health

‘Department of Health (DH) continues to make extensive use of ONS services, products and advice. A wide range of DH stakeholders is involved.

Feedback from some of these stakeholders indicates high levels of satisfaction with ONS services in fields such as measurement of NHS input and productivity, mortality statistics, and population statistics.

This feedback demonstrates that in some areas there are very good personal and business links between the two organisations.

There is one general issue, which would benefit from mutual scrutiny and dialogue: how we can best engage both corporately and as individual users in ONS consultations about wide ranging topics such as the census or aspects of economic statistics in which we have an interest.

The Department of Health’s overall rating of performance, is 3: good. In some areas there is evidence of excellent service which we will include in the detailed assessment.’

Department for Work and Pensions

‘DWP is pleased to report positively on the overall service received from ONS, with most areas rating the service as good or excellent. We would also like to note the work that DWP has done with ONS and other departments to help improve migration statistics. We look forward to working with ONS in the coming year on this and other challenges including looking at how we can make best use of surveys.’



The Government Statistical Service (GSS) is a network of professional statisticians headed by the National Statistician. There are nearly 1,300 GSS members operating both within ONS and across more than 30 other government departments and agencies

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National Statistician's Introduction



Dame Karen Dunnell DCB

This is my last annual report as National Statistician and my first since the new independent statistical system came into effect on 1 April 2008. It details some of the significant development work being carried out by statisticians across the Government Statistical Service (GSS) and the Northern Ireland Statistics and Research Agency (NISRA) in 2008/09.

One of the main highlights was the first data-sharing order in February 2009, allowing data from the School Census to be shared with ONS. This achievement demonstrated the utility and effectiveness of the data-sharing provisions in the *Statistics and Registration Service Act 2007*. Data confidentiality remained a key priority and data-sharing will only occur once adequate safeguards to protect any personal information are in place. I would like to offer my personal thanks to all colleagues who have contributed directly to this milestone.

Data acquired from the first data-sharing orders will play an important part in the improvement of migration statistics. This is one of many partnerships across the GSS improving methods and sources used for population estimates.

Preparations for the 2011 Census are well underway with the main contracts awarded for data capture and provision of personnel services. The questionnaire has been developed following a three

year period of extensive consultation and testing. The Scottish rehearsals took place in March 2009 with rehearsals for England, Wales and Northern Ireland to take place in October 2009. An address register for enumeration has been developed and tested with 24 local authorities.

During the past year and in the future the GSS will continue to experience many changes. A current project, GSS Leadership and Revitalisation, is developing many important strands of work that will lead to the GSS being an improved, self confident, and mutually supportive network. This will prepare the GSS for the challenges it will face in the future. Early priorities have focused on data-sharing, statistical planning and professional standards.

I would like to take this opportunity to thank everyone in the GSS who has worked on official statistics during my time as National Statistician. I will continue to take an active interest in how the GSS and the statistical system develops in the future.

A handwritten signature in blue ink that reads "Karen Dunnell". The signature is fluid and cursive.

Dame Karen Dunnell DCB
National Statistician and
Head of the GSS

July 2009

Government Statistical Service Annual Report

The GSS Leadership and Revitalisation Project

Introduction

As the Head of the GSS, the National Statistician is leading work to build on its inherent strengths, address the challenges facing the statistical system, and to strengthen the working relationship between the four administrations in the UK.

The vision is for a self-confident and mutually supportive network of people who provide a coherent package of services which encompasses high quality statistics, analysis and advice, and which meets the needs of decision-makers inside and outside government.

The project's overall objective is to deliver the National Statistician's vision and objectives for a revitalised GSS. The project is split into two phases with the target for phase one deliverables being 30 June 2009. Delivery targets for the remainder of the project will be set after a review of progress, which is planned to take place in July 2009. The project is split into nine workstreams which are set out below.

Each will contribute to the achievement of the National Statistician's vision. Guidance and direction is provided by an inter-departmental GSS Advisory Group.

Progress 2008/09

GSS Professional Community – aims to strengthen the GSS in terms of its resources, skills and competences. This work is carried out mainly through implementing the work programme agreed by the GSS Human Resources Committee (GSS HRC). Current successes include the commencement of accreditation boards, the introduction of a University Liaison Officer scheme and successful Fast Stream recruitment.

Statistical Planning – aims to produce a government-wide system for statistical planning that demonstrably meets user needs. An initial planning infrastructure has been established and the GSS Statistics Strategy and Planning Committee has been set up to direct this work.

Methodology, Standards and Quality – aims to provide a framework for the improvement of the methodology, standards and quality of official statistics, including their analysis and commentary. A Quality, Harmonisation and Methods Tool (QHMT) will be piloted across the GSS during 2009.

Public Confidence in Official Statistics – aims to improve public trust and confidence in official statistics through the identification and implementation of

“ The project’s overall objective is to deliver the National Statistician’s vision and objectives for a revitalised GSS ”

mechanisms aimed at improving public perceptions of the statistical service.

Use of Statistics – aims to improve the use of statistics in decision-making and operational delivery, alongside other analytical evidence. This workstream is reviewing the information from the Departmental Capability Reviews with the intention of producing case-studies of departments which make good use of evidence in policy making.

Data-Sharing – aims to support all parts of the GSS in exploiting the statistical potential of administrative data held elsewhere in government by making data-sharing a matter of routine and, where necessary, using the information sharing provisions in the *Statistics and Registration Service Act 2007* to create a legal gateway to facilitate any sharing. In February 2009 the first data-sharing order was passed, allowing data for the School Census to be shared with ONS. Further progress is detailed later in this chapter.

International – aims to exert real and lasting influence over international statistical developments across the GSS. This is being achieved by the production of quality briefings for high level international meetings, by the development of International Training Modules and improving compliance

levels for electronic data transfer (via the *e-DAMIS* system).

Role of the Heads of Profession

– aims to enhance the position, role, and influence of statistical Heads of Profession (HoPs) within the UK statistical system. This will be achieved through the publication of a revamped edition of the *Framework for National Statistics* (published in 2000), a new GSS governance structure, a competency framework and training module for HoPs, and updated guidance on the HoP role.

National Statistician’s Guidance – aims to direct and coordinate the work of the six GSS task forces that have been set up to deliver the *National Statistician’s Guidance on Implementing the UK Statistics Authority’s Code of Practice for Official Statistics*. The task forces on – quality methods; statistical planning; confidentiality; presentation and publication; use of administrative/management data and definition of statistics – will deliver the guidance in Summer 2009.

New Governance Arrangements for the GSS

Background

One key component of the programme of work designed to reinvigorate the GSS has been the delivery of a revised governance structure for the UK statistical system as a whole, to complement that for the ONS itself. These new governance arrangements have established a smaller number of committees with a more strategic focus and a greater emphasis on meeting users' needs.

How We Are Organised

The GSS operates on a decentralised basis. This means that statisticians and their staff outside ONS work alongside their policy colleagues within government departments and across the devolved administrations. This places a premium on the need for an overarching governance structure comprising a set of committees which can operate on an inter-departmental and inter-administration basis, coordinate statistical policy, and address issues of common concern.

During the year, the National Statistician, working with colleagues across the GSS, conducted a thorough review of the existing committee system with a view to creating a more streamlined

and flexible structure, able to provide strategic direction and ensure that the GSS delivers outputs and services that offer real value to its users. That review led to the establishment of the following committees:

Statistics Strategy and Planning Committee

This Committee is chaired by the National Statistician, with membership drawn from the Chief Statisticians in the devolved administrations, and the senior HoPs for Statistics in departments. Its purpose is to provide strategic direction to the GSS, provide high-level advice to the National Statistician and oversee publication of a strategic plan. Issues it has discussed include:

- A new system of statistical planning – the challenge here is how to identify and prioritise current and future needs for statistics that meet user needs both across and within the UK. Principles will be developed and implemented during 2009
- Developing a narrative description of the UK statistical system – the Committee have commissioned a number of Theme Leaders across the GSS to produce a document that provides stakeholders with a better understanding of how the statistical system works and what it delivers

Baron Claus Moser, Head of the Government Statistical Service at its creation in 1967, addresses its 40th anniversary



Inter-Administration Committee (IAC)

This Committee is chaired by the National Statistician with membership comprising the Chief Statisticians in each of the devolved administrations. Its purpose is to improve the ways in which the four nations work together, and to identify the key inter-administration issues affecting statistics. Issues discussed to date include:

- Concordat on Statistics – the IAC has taken the decision to withdraw the *Concordat on Statistics* that underpinned the *Memorandum of Understanding* signed by the four nations at devolution in 1999. A replacement document outlining best practice is being developed
- Inter-administration issues – the IAC has commissioned the GSS to conduct some research to identify the big issues affecting statistical production across the four countries, to inform strategic planning

A New Planning Infrastructure

A key development over the past year has been the design of a new planning infrastructure for the statistical system which will be able to consider and reflect users' views at both the detailed and the strategic level.

Departments and the devolved administrations will engage with their users and plan accordingly. Planning Groups have been introduced to operate on an inter-departmental and inter-administration basis, and to replace the old Theme Working Groups. They will be time-bound and analyse and report on key issues raised by users.

Their findings will be brought together with the outputs of other planning and consultation exercises into a consolidated and prioritised plan, published under the supervision of the UK Statistics Strategy and Planning Committee.

Governance and Planning Achievements

This Report is not the place to provide a full account of all the numerous and wide-ranging programmes, projects and activities undertaken by the GSS over the last year and overseen by the new governance structure described above. The following pages can only provide a taste of those achievements.

Data-Sharing and Making Better Use of Administrative Data

Introduction

ONS, the Executive Office of the UK Statistics Authority needs to make better use of administrative data routinely collected by government and other public authorities if it is to respond effectively to changes in society and deal with the rising costs which are increasingly affecting traditional methods of collecting data through surveys and decennial censuses.

These pressures are recognised in the Statistical Work Programme developed by ONS where specific projects to produce new and improved population and migration statistics, minimise burden on respondents and reduce compliance costs, are reliant on securing access to data from administrative sources.

The ongoing relevance of these strategic drivers has been endorsed, first by the report of the Treasury Select Committee on *Counting the Population*¹, and more recently, in the new *Code of Practice for Official Statistics*² where Protocol Three refers explicitly to the use of administrative data. Despite these developments there can be little doubt

that legislation has been the key factor affecting work during the period under review. In the past legal barriers have limited both access to, and use of, administrative data.

However, the data sharing provisions in the *Statistics and Registration Service Act 2007* (the Act) have opened up new opportunities, offering a clear and consistent basis for making use of administrative data for statistical purposes.

Progress to Secure Access to Data from Administrative Sources

The opportunities opened up by the Act provided the context for much of the work during 2008/09. In particular, attention focused on:

- developing an agreed programme of data-sharing work
- securing access to data from priority sources.

In May 2008 the first of two submissions was put forward for consideration and approval by the UK Statistics Authority. This drew extensively on the priorities identified by the GSS Subgroup on Data-Sharing for Statistical and Analytical Purposes.

As a result the proposals were designed to meet specific demands for new and improved population and migration

“ The data sharing provisions in the *Statistics and Registration Service Act 2007* have opened up new opportunities ”

statistics, better policy development, analysis and review as well as more cost effective collection of data from small businesses. In brief, six core priorities, three inflows and three outflows, were identified and are shown below.

Inflows

- Data from the *School Census* from the Department for Children, Schools and Families (DCSF)
- Information from the *National Insurance Recording System* (Migrant Workers' Scan) from HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP)
- Value-Added Tax Data from HMRC

Outflows

- Data from the *Inter-Departmental Business Register* to the Bank of England (BoE)
- Data from the *Inter-Departmental Business Register* to the Department of Enterprise, Trade and Investment in Northern Ireland (DETINI)
- Key variables from the *Labour Force Survey* to DCSF

Having secured approval for these projects, a second application in September 2008 extended the work programme to cover two additional inflows. Whereas the first, information

on students attending higher education institutions in England and Wales, is needed urgently for work on improving population and migration statistics, the second, selected data from DWP, will facilitate work on labour market statistics as well as wider research and analytical requirements associated with the development of the *Longitudinal Study*.

Having established a clear programme of work, appropriate project management and reporting arrangements, good progress has been made to secure access to key datasets. ONS completed negotiations with HMRC and DWP and made arrangements for the transfer of selected variables from the *National Insurance Recording System* (Migrant Workers' Scan) in February 2009.

More recently, the transfer of a sub-set of variables from the *School Census* has been completed. The sharing of data from the *School Census* necessitated the development of a detailed statistical business case as well as the preparation of draft regulations. The latter constituted the first use of the data-sharing powers in the *Act* and were approved following debates in both Houses of Parliament.

Access to data from both these high priority sources will contribute to the Improving Migration Statistics Programme. Furthermore, work on preparing draft regulations to enable the Authority to share data with the BoE and DETINI is well advanced. The latter will need to be approved by affirmative resolution in the Northern Ireland Assembly. Finally, ONS is hoping to secure approval for access to data on students attending higher education institutions in the summer. Once again this will involve the preparation of draft regulations.

These positive developments have demonstrated the utility and effectiveness of the data-sharing provisions in the *Act*. At the same time the work has underlined the importance of understanding the scope and content of individual administrative sources as well as the need for initial pilot and feasibility research.

Special attention has had to be given to dealing with concerns associated with data security and handling. In all cases it has been necessary to show that appropriate measures will be taken to safeguard confidentiality and comply with specific legislative or departmental requirements.

Such issues were the focus of debates in both Houses of Parliament and underline the value of the safeguards built into the *Act*.

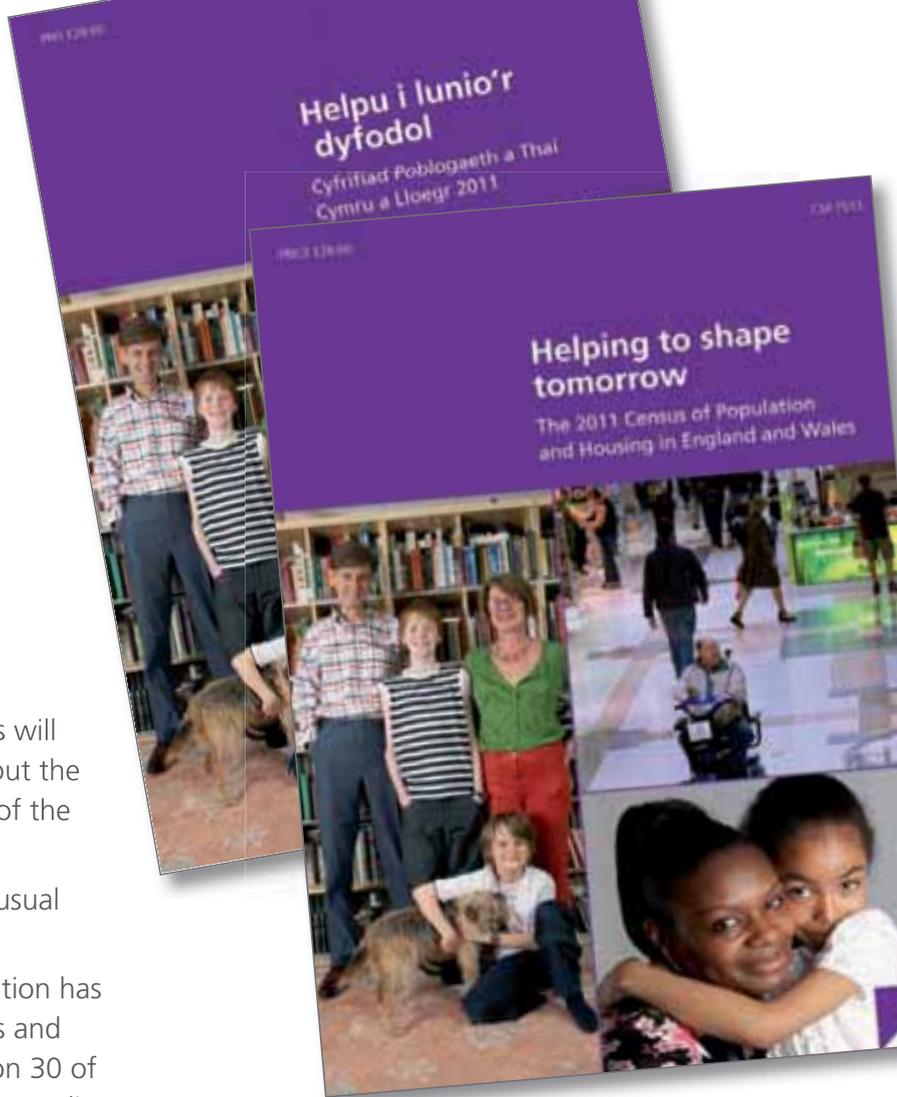
The experience that has been gained in the last year has been invaluable and will provide a sound basis for taking forward further data-sharing work. ONS is most grateful for the help and support received from officials in DCSF, DWP, HMRC and the Cabinet Office whose efforts have contributed directly the progress that has been achieved.

Census 2011

Introduction

ONS is responsible for the census in England and Wales. The Scottish census is carried out by the General Register Office for Scotland (GROS). The census in Northern Ireland is carried out by the Northern Ireland Statistics and Research Agency (NISRA).

The National Statistician and Registrars General for Scotland and Northern Ireland continued during the year to facilitate the harmonisation of the conduct of the 2011 Census. Regular meetings of the UK Census Committee were held to review progress in harmonising a number of key aspects including:



- the date of the 2011 Census will be 27 March 2011 throughout the UK, subject to the approval of the relevant legislatures
- the population base will be usual residents plus visitors
- a good degree of harmonisation has also been achieved on topics and questions, with agreement on 30 of the 41 topics across the UK. Wording for approximately 40 of the 50 questions has also been agreed, with differences arising largely due to the different context in each country. This degree of harmonisation of questions was made possible by the provision of funding for a fourth page of questions for individuals in England and Wales. This funding was provided by each of the main home government departments
- a common design has been agreed for census questionnaires
- a disclosure control policy has been agreed by the National Statistician and Registrars General. Methodological research will continue in 2009, with a final decision taken in the autumn
- procurement of appropriate systems and services is driven by the different needs of the Census Offices. A single contract with core elements and

variations for England and Wales and Northern Ireland was awarded to Lockheed Martin UK Ltd in August 2008 for key operational services. A separate Scottish contract was awarded to CACI (UK) Ltd in June 2008

- a joint statement on output aims has been agreed by the National Statistician and Registrars General. A UK output strategy is currently under development and will be the subject of wider consultation in autumn 2009

In order to support the process of harmonisation, the UK Harmonisation Committee with representation from the UK Census Offices was formed in January 2009 and meets on a quarterly basis.

Detailed proposals covering the topics to be included and the conduct of the Census in England and Wales are included

“ The Publication Hub delivers updates to statistical news releases and at 9.30am, gives a link to all the new statistical releases that day ”

in the UK Statistics Authority’s proposals to Parliament in the White Paper ‘Helping to shape tomorrow’ published in December 2008. Details of ONS’s work to produce a high quality enumeration address register for England and Wales are also included within the White Paper.

The Publication Hub

Introduction

The Publication Hub – a platform for announcing and releasing all National Statistics – was launched in April 2008 to coincide with the commencement of the *Statistics and Registration Service Act 2007*, and to complement the launch of new ‘About’ sites for both the UK Statistics Authority and the ONS, its Executive Office.

The Publication Hub delivers updates to statistical news releases and at 9.30am, gives a link to all the new statistical releases that day. It is the only website that provides access to past and present statistical releases. In addition, users can access information which tells them when future statistical releases are going to be available. Links to the supplying departments’ own websites are provided with each statistical release because the actual releases continue to be held

on departmental websites, along with underlying sources and datasets.

Guidance on the content and dissemination of releases is incorporated in the *Code of Practice for Official Statistics*. This will be supplemented by additional guidance provided by the National Statistician. The content of releases remains the responsibility of producing departments. GSS Heads of Profession in each department are responsible for the professional quality of outputs released through the Publication Hub and for approving the publication of outputs prior to their release.

Progress 2008/09

The Publication Hub and the new ‘About’ sites have been delivered as part of the i-Dissemination Programme within ONS, working closely with colleagues around the GSS and with the UK Statistics Authority. That programme also included making arrangements for the hosting of these sites.

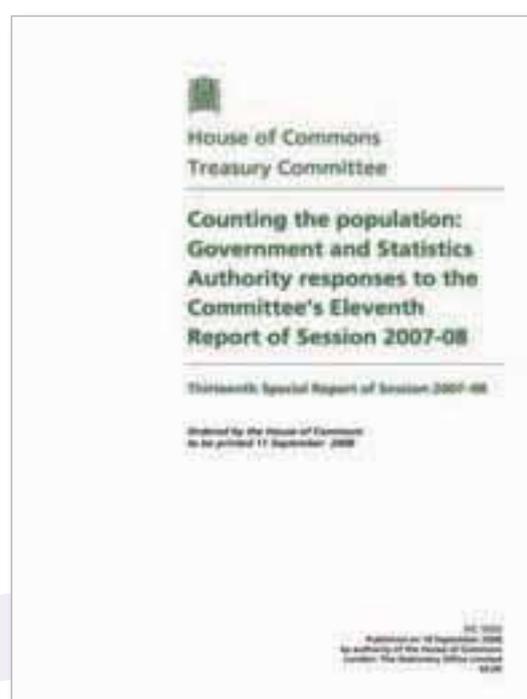
A full updated version of the Publication Hub was launched in March 2009. This new version provided departments producing statistics from across the GSS, with direct access to update their release schedules and catalogue content. It also introduced a new taxonomy, classifying all statistical releases to ‘Themes’ which

can be used to browse for data and information.

As well as continuing to support the Publication Hub, the focus of development has now shifted to making necessary improvements to the dissemination of output through the ONS website, particularly making improvements for finding and accessing data. These developments will include making preparations for dissemination of the 2011 Census output and embracing new and emerging technologies and approaches.

Website links

- Publication Hub www.statistics.gov.uk
- About the UK Statistics Authority www.statisticsauthority.gov.uk
- About ONS www.ons.gov.uk/about



The Treasury Committee report on *Counting the Population* in 2008

Improving Migration Statistics

Introduction

Since the late 1990s migration has exceeded natural change (the difference between the number of births and number of deaths) to become the most significant driver of population change in the UK. However, it is the most difficult component to estimate since there is no definitive source.

The National Statistician has initiated a large-scale programme of work to build on the quality of population statistics (the MSI work programme) and, within this, is implementing recommendations made in the interdepartmental Task Force on Migration Statistics in 2006 and the subsequent House of Commons Treasury Committee report *Counting the Population* in 2008.

The work programme was set up in April 2008 and involves the GSS working in partnership across government to improve methods and sources used in the production of population estimates. Key departments involved include Communities and Local Government (DCLG), Department of Health (DH), Home Office (HO), Department for Children, Schools and Families (DCSF) and Department for Universities Innovation and Skills (DIUS).

The improvement work is organised into five streams:

- gaining better information on migrants as they enter and leave the country
- improving the methods and reliability of Local Authority level population and migration estimates
- using alternative administrative and survey sources in population estimation
- provision of relevant and timely analyses and indicators associated with population
- developing a more coherent approach to the reporting of migration across government

The programme is steered by a senior cross government programme board, and has a ministerial group, jointly chaired by the Minister for Immigration and the Minister for Local Government, to inject pace and facilitate cross-departmental working.

Programme Achievements

Entry and Exit data

A series of improvements have been made to port surveys, including introducing additional survey shifts at key ports for the *International Passenger Survey* (the main source for international migration estimates) to provide more contacts and better coverage of migrants. From January 2009 a more fundamental change of emphasis of the survey towards gathering migration information was implemented.

ONS have worked in partnership with the Home Office to ensure that statistical

“ A series of improvements have been made to port surveys, including introducing additional survey shifts at key ports for the International Passenger Survey ”

requirements of the new e-Borders system – which has been initiated and will achieve 95 per cent coverage by the end of 2010 – will be incorporated into the programme. This is a major new initiative that has the potential to provide a rich source of information on migrants as they enter or leave the UK, leading to more robust international migration estimates.

Local Population Estimates

At the end of 2007, the publication of new estimates of short term migrants at a high geographic level began – covering those people staying or leaving for less than 12 months and filling a gap in the suite of outputs. Over the course of the year this continued, along with the development of a method for supplying this output at a finer geographic level – to provide a fuller picture of migration for local authority areas.

Techniques are also being developed for improving the measurement of internal migration (moves within the UK) of students. This is an area recognised as requiring development since the standard source for measuring internal migration (GP registrations) does not pick up all moves in this age group. Aggregate data from the Higher Education Statistics Agency containing

term-time address of students in higher education establishments are being used to adjust internal migration estimates to compensate.

Administrative sources provide a timelier source as the basis for estimating the geographic distribution of international migration than the 2001 Census currently used. The GSS has been developing a model-based approach that combines several administrative sources to provide a more representative and current distribution of international migration at the local authority level.

Alternative Sources

The Statistics and Registration Service Act 2007 allows the laying of regulations to permit data-sharing for statistical purposes between public bodies and the UK Statistics Authority. One such regulation was laid early in 2009 to allow ONS to share the School Census data owned by the DCSF. This useful source provides more information on movements of the school-aged population.

ONS is also sharing Migrant Worker Scan data (National Insurance Numbers allocated to foreign workers) owned by HMRC and DWP, which gives an indication of international migration within the economically active population.

These two administrative sources have not been used before in the population estimates and new methods are being researched, including record linkage and statistical modelling, to use them for counting and distributing migrants. They are also being used for quality assurance and validation purposes.

Existing and new survey sources are also being developed. For example, establishing the feasibility of a *Communal Establishment Survey* that aims to capture information on migrants living in communal establishments and otherwise missed by the household surveys.

Indicators and Analysis

A suite of indicators, drawing upon information from a number of sources related to migration numbers and the impact of migration, is in the process of development. For example, ONS now produces churn indicators show how much population turnover has occurred in a given area irrespective of net population change.

These indicators will provide a much earlier view of migration trends at the national level, and a means by which the migration picture can be compared across local authority areas and across different sources. Roll-out of this development started in May 2009.

Migration Reporting

Throughout the year, government departments that produce statistics relating to migration have been working closely together to release such outputs in a more coherent manner. This includes the introduction of periodic reporting on common dates, and joined-up news releases and briefings.

Statistical Contribution to the National Performance Framework and Scotland Performs

Introduction

The new Scottish Government set out its vision for Scotland in the Economic Strategy, which was published in November 2007³. This introduced the National Performance Framework⁴ (NPF). This was a change for the Scottish Government and its analysts as it represented a move to an outcomes-based approach.

The Scotland Performs⁵ website was launched in June 2008. The main aims are to communicate performance in a very open and transparent manner, with the information presented by analysts.

“ Techniques are also being developed for improving the measurement of internal migration of students ”

Objectivity and Analytical Underpinning

Scottish Government ministers have agreed that, although Scotland Performs is a ministerial publication, decisions on all analytical issues concerning the website should be made by a high level analytical group, which consists of the Chief Professional Officers in the Scottish Government. This group is currently chaired by the Chief Statistician in Scotland.

To support analytical groups, statisticians in the Scottish Government are involved in the updating and maintenance of the Scotland Performs website, to ensure it maintains objectivity and rigour.

Links to local outcomes

The National Performance Framework also has a local dimension, with each of the local authorities in Scotland compiling a *Single Outcome Agreement* (SOA).

The SOAs outline each local authority's desired local outcomes, and how by delivering these they will contribute to the national outcomes.

The Statistics group, in partnership with other analysts in the Scottish Government, has worked over the past year to provide support to local authorities in the production of their SOAs.

Accessibility

Each indicator page on Scotland Performs links to a technical note which explains where the data come from, definitions, what the baseline figure is, background methodology and where further information and publications can be found.

To further improve access to the underlying data, Scottish Neighbourhood Statistics⁶ includes special reports for the national indicators at their available geographies, as well many of the indicators used commonly across SOAs. This allows the national and local indicators to be considered in the context of other information about the data.

Notes – Chapter 4

- 1 House of Commons Treasury Select Committee, *Counting the Population*, Eleventh Report of Session 2007/08, May 2008.
- 2 *Code of Practice for Official Statistics*, UK Statistics Authority, January 2009.
- 3 www.scotland.gov.uk/Publications/2007/11/12115041/0
- 4 www.scotland.gov.uk/Publications/2007/11/13092240/9
- 5 www.scotlandperforms.com
- 6 www.sns.gov.uk

This chapter provides a financial summary and other management information about the UK Statistics Authority including its executive office the Office for National Statistics (ONS)

Financial Summary and Management Information.....71

Financial Summary and Management Information

Introduction

This chapter provides a financial summary and other management information about the UK Statistics Authority including its Executive Office the Office for National Statistics (ONS). The full Resource Accounts are given in Volume II, Chapter 6.

Summary of Financial Performance

Key Points

The Statement of Parliamentary Supply: Summary of Resources Outturn 2008/09, contained in the Resource Accounts, shows that net resource outturn for the year was £209.328 million against an estimate of £217.065 million.

The comparative figures for 2007/08 for Estimates and Budgets were for the Office for National Statistics (ONS) and included the General Register Office (GRO) and NHS Central Register (NHSCR).

The GRO and NHSCR transferred to other government departments on 1 April 2008 and so the figures are not comparable with this year. Most of the tables following the Statement of Parliamentary Supply have been restated to exclude transactions in respect of GRO and NHSCR.

The underspend of £7.737 million is largely due to the need to keep within HM Treasury (HMT) budget for near cash. This budget limit is not disclosed in Resource Accounts, but is expected to be so when the HMT's Alignment Project brings accounts, estimates and budgets closer together.

Net operating costs as shown in the Operating Costs Statement at £209.004 million are higher than shown in 2007/08 due mainly to initial contractual payments for the Census

Income at £27.499 million is £2.720 million higher than 2007/08 due to increased income from surveys and is analysed at Note 10 (see Volume II, Chapter 6 for Notes).

Note 11 in Chapter 6 shows details of fixed assets. The majority of additions are for in-house developed software applications including the new Publication Hub.

Also noteworthy is the considerable downward revaluation of buildings following revisions to the office building indexes as office values have fallen generally across the country.

Table 5.1 Statement of Parliamentary Supply

	£m 2008/09	£m 2007/08
Net Resource Outturn (Estimates)	217.065	175.176
Under spend	7.737	3.088
Net Resource Outturn (Accounts)	209.328	172.088

Note 16 discloses further provisions increasing the costs of early staff departures as part of the ongoing relocation from London after March 2010. The extra provisions also provide for onerous property contracts where properties in London and Titchfield have not been re-let.

The Authority had 3,931 employees at 31 March 2009, with differing patterns of working, and Note 8 shows the average number of full time equivalents (FTE).

Also shown are payments made with regard to pension liabilities. Employees are Civil Servants to whom the conditions of the *Superannuation Acts* of 1965 and 1972 and subsequent amendments apply.

For the year ending 31 March 2009, contributions were paid to the Paymaster General at rates of 17.1 per cent to 25.5 per cent (according to salary band) of salaries determined by the Government Actuary as advised by HMT.

All executive and non-executive directors and deputy directors were requested to sign related party transaction declarations, the outcome of which is Note 27.

In common with other government departments, this year the UK Statistics Authority has adopted *Financial Reporting Standards 25, 26 and 29* and details of the Authority's use of financial instruments are at Note 24.

This is the last year that the Authority will report under UK Financial Reporting Standards. Next year's report will be under International Financial Reporting Standards, again in common with other government departments.

The Comptroller and Auditor General examines the UK Statistics Authority's Resource Accounts under the *Government Resources and Accounting Act 2000* and reports his findings to the House of Commons.

“ This year the UK Statistics Authority has adopted Financial Reporting Standards 25, 26 and 29 ”

The cost of the annual audit of the Resource Accounts by the National Audit Office and an additional charge covering the preparatory work for the implementation of International Financial Reporting Standards from 2009/10 can be found at Note 9.

In addition a small amount of audit work was carried out by the National Audit Office to support claims made from Eurostat at a cost of £10,000.

Core Tables

The following tables show expenditure records and plans over a number of years. Their content and layout is mandated by HMT.

For 2008/09 onwards they show spending for the Authority only, whereas prior to that they show spend for ONS including GRO and NHSCR. Growth in future plans is mainly to fund the cost of the 2011 Census.

Table 5.2 – Total Departmental Spending

	£000								
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Resource Budget									
Resource DEL									
UK Statistics Authority	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
Total Resource Budget DEL	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
<i>Of which: Near-cash</i>	125,049	143,122	153,585	146,521	148,166	193,352	192,246	297,933	305,198
Resource AME									
Total Resource Budget AME	-	-	-	-	-	-	-	-	-
<i>Of which: Near-cash</i>									
Total Resource Budget	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
<i>Of which: Depreciation</i>	9,559	11,631	10,242	16,441	22,873	12,945	18,000	20,000	22,000
Capital Budget									
Capital DEL									
UK Statistics Authority	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Total Capital Budget DEL	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Capital AME									
Total Capital Budget AME	-	-	-	-	-	-	-	-	-
Total Capital Budget	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Total Departmental Spending†									
UK Statistics Authority	145,059	180,335	186,873	203,851	164,539	209,328	209,246	312,933	318,198
Total Departmental Spending†	145,059	180,335	186,873	203,851	164,539	209,328	209,246	312,933	318,198
<i>Of which:</i>									
Total DEL	145,059	180,335	186,873	203,851	164,539	209,328	209,246	312,933	318,198
Total AME	-	-	-	-	-	-	-	-	-

† Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Spending by Local Authorities on Functions Relevant to the Department

Current Spending	-	-	-	-	-	-	-	-	-
<i>Of which:</i>									
Financed by grants from budgets above	-	-	-	-	-	-	-	-	-
Capital Spending	-	-	-	-	-	-	-	-	-
<i>Of which:</i>									
Financed by grants from budgets above††	-	-	-	-	-	-	-	-	-

†† This includes loans written off by mutual consent that score within non-cash Resource Budgets and aren't included in the capital support to local authorities line in Table 3.

Table 5.3 – Resource Budget DEL and AME

	£000								
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Resource DEL									
UK Statistics Authority	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
Of which:									
UK Statistics Authority	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
Total Resource Budget DEL	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198
Of which:									
Near-cash	125,049	143,122	153,585	146,521	148,166	193,352	192,246	297,933	305,198
Of which:[†]									
Pay	108,491	120,376	124,658	125,205	117,886	103,464			
Procurement	16,558	22,746	30,270	21,666	31,126	133,049	85,596	182,183	203,548
Current grants and subsidies to the private sector and abroad	-	-	-1,343	-350	-846	-721	-350	-350	-350
Current grants to local authorities	-	-	-	-	-	-	-	-	-
Depreciation	9,559	11,631	10,242	16,441	22,873	12,945	18,000	20,000	22,000
Resource AME									
Total Resource Budget AME	-								
Of which:									
Near-cash	-	-	-	-	-	-	-	-	-
Of which:[†]									
Pay	-	-	-	-	-	-	-	-	-
Procurement	-	-	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Total Resource Budget	137,425	158,284	172,445	192,780	172,088	209,328	212,246	317,933	325,198

† The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but aren't included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Table 5.4 – Capital Budget DEL and AME

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
£000									
Capital DEL									
UK Statistics Authority	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Of which:									
UK Statistics Authority	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Total Capital Budget DEL	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Of which:									
Capital expenditure on fixed assets net of sales†	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-	-
Net lending to private sector	-	-	-	-	-	-	-	-	-
Capital support to public corporations	-	-	-	-	-	-	-	-	-
Capital support to local authorities††	-	-	-	-	-	-	-	-	-
Capital AME									
Total Capital Budget AME	-								
Total Capital Budget	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Of which:									
Capital expenditure on fixed assets net of sales†	17,193	33,682	24,670	27,512	15,324	19,454	15,000	15,000	15,000
Less depreciation†††	9,559	11,631	10,242	16,441	22,873	12,945	18,000	20,000	22,000
Net capital expenditure on tangible fixed assets	7,634	22,051	14,428	11,071	-7,549	6,509	-3,000	-5,000	-7,000
† Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.									
†† This does not include loans written off by mutual consent that score within non-cash Resource Budgets.									
††† Included in Resource Budget.									

Table 5.5 – Administration Costs

	£000								
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Administration Expenditure									
Paybill	108,491	120,376	124,658	125,205	117,886	103,464			
Other	69,650	82,735	87,961	115,444	100,994	133,039			
Total Administration Expenditure	178,141	203,111	212,619	240,649	218,880	236,503	-	-	-
Administration Income	-41,785	-45,555	-40,981	-48,703	-46,924	-27,175	-	-	-
Total Administration Budget	136,356	157,556	171,638	191,946	171,956	209,328	-	-	-
Analysis by Activity									
UK Statistics Authority	136,356	157,556	171,638	191,946	171,956	209,328	-	-	-
Total Administration Budget	136,356	157,556	171,638	191,946	171,956	209,328	-	-	-

Targets from Spending Reviews

The targets, Tables 5.6 to 5.9 on page 80, are those outstanding from Spending Reviews in 2002 and 2004. Those that are no longer relevant to the time period of this Annual Report and have been reported on in previous year's Annual Reports.

Parliamentary Reporting

This report and accompanying accounts form part of the annual reporting process to Parliament. To allow Parliamentary scrutiny, the Authority prepares Estimates of its expenditure, with the Main Estimate in the early part of the financial year, and Supplementary Estimates published in November and February. The Estimates are available from the HMT website at: www.hm-treasury.gov.uk

Information Risk

Security of information is paramount in an organisation that handles an enormous amount of personal information. When the public give ONS details about themselves or their businesses, they trust ONS to look after it.

A Data Handling Review was commissioned by the Prime Minister following the high profile data loss of HM Revenue and Customs (HMRC) benefit data in October 2007. The aim was to assess and improve procedures for the safe use and storage of data in government.

The Statistics and Registration Service Act 2007, the Census Act 1920 and the Statistics of Trade Act 1947 alongside the Data Protection Act 1998 and Human Rights Act 1998 provide the legal framework to safeguard privacy. One of the key proposals of the Data Handling Review was that departments are still best placed to manage their own information, and so we are responsible for doing so. Cabinet Office, HMT and the Ministry of Justice have set the framework within which we will do this.

Immediately the incident at HMRC was made known, a Data Stewardship Group started an internal investigation to ensure all ONS data could be accounted for and to identify any changes that were necessary to minimise the risks of data loss.

Once the Data Handling Review was published early in 2008 a team was set up to manage our information risk and to improve data handling.

The owners of our Information Assets have been identified and have been given responsibility for the safe management of their assets. Clear accountability is vital, particularly at senior levels, to ensure that risks to information are considered from the start.

Technical and process measures need to be taken to minimise the scope for error or external attack. We need to achieve a culture that underpins the safe use of our information, both when planning business and operating it. We were already a long way towards meeting many of the requirements but have identified that more needs to be done.

Because no information handling system provides total protection, performance needs to be monitored and lessons learned.

A Security Awareness e-learning program has been developed in response to a series of high profile data losses across the government. A subsequent review of data handling procedures concluded that all civil servants should undergo training to help increase awareness and reduce the likelihood of further security breaches.

The following tables summarise all known incidents where personal information was not correctly handled.

Sustainable Development

Sustainable development is an internationally recognised approach that seeks to simultaneously progress economic, social and environmental goals across generations and across the globe.

ONS has been awarded a five star rating by the government's independent advisor and watchdog for its efforts to manage the office in a sustainable way.

The *Sustainable Development in Government Report* highlighted the excellent progress made in reducing waste production and increasing the rate of recycling, placing the department fourth in the league table of government departments.

The report highlights the following:

- a waste recycling rate of 74.5 per cent – well in excess of the 40 per cent target for 2010
- 25.4 per cent reduction in total waste – exceeding the 2020 target of 25 per cent
- sourcing 24.4 per cent of electricity from renewable sources – exceeding the 10 per cent target set for March 2008
- 8.9 per cent reduction in water consumption
- 8.2 per cent reduction in carbon emissions from road travel
- facilities for cyclists

Targets from the Spending Review 2002

Table 5.6 – Service Level Targets

To pay all valid bills within 30 days of receipt (Target 100 per cent)	Target not met – 95 per cent of invoices were paid on time
To answer public enquiries about statistical activities within 10 days (Target 99 per cent)	Target met – 100 per cent answered within 10 working days

Note

Although the above target is to pay all valid bills within 30 days, since December 2008 the Authority, in common with other government departments, strives to pay all valid bills within 10 days to ease business cash flows. All other 2002 Spending Review targets refer to the Registration service which from 1 April 2008 transferred to the Identity and Passport Office.

Targets from the Spending Review 2004

Table 5.7 – To Implement the Recommendations from the Allsopp Review of Statistics for Economic Policy Making

We will begin launching new surveys during 2006 in accordance with a plan for full delivery by 2009	ONS has developed experimental production-based regional Gross Value Added (GVA) and we have implemented a strong regional presence
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Table 5.8 – To Improve the Quality and Reliability of Statistics Relating to Population, Pensions, Government Output, and Wealth and Assets

We will implement the response to the Atkinson report on measuring government output	<p>Most of the recommendations in the Atkinson Review have been achieved, at least in part, resulting in:</p> <ul style="list-style-type: none"> • an estimated 3.8 percentage points in cumulative growth in government output from 1995 and 2005 as a result of improved measures • improved output measures of all the major individual services, many have already been included in the national accounts, for example health, education, social security administration • new quality measures for healthcare and education in our productivity analysis but not yet in the national accounts
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Table 5.9 – To Respond to the Challenges of Sir Peter Gershon's Efficiency Review

We will relocate 850 jobs from London and the South East by March 2010	By the end of March 2009 497 FTE posts had been relocated out of London and the South East. 453 FTE posts moved from London to Newport and 44 from Titchfield to Newport. We have also significantly reduced headcount
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Table 5.10 – Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner’s Office in 2008/09

Date of incident	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
There were no incidents	-	-	-	-
Further action on Information Risk	We will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvement of its systems			

Table 5.11 – Summary of Other Protected Personal Data Related Incidents in 2008/09

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner’s Office but recorded centrally within the authority are set out in the table below, small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	nil
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	nil
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	nil
IV	Unauthorised disclosure	nil
V	Other	nil

Disclosure of Information to the Auditors

So far as the Accounting Officer is aware:

- there is no relevant audit information of which the Authority’s auditors are unaware
- she has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the Authority’s auditors are aware of that information

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