

Review of the Balance of Competences between the United Kingdom and the European Union

List of Evidence: Statistics

This document is a record of all of the evidence submitted to the National Statistician’s Office’s call for evidence to support the statistics component of the Voting, Consular and Statistics Report. This report is part of the UK Government’s Review of the Balance of Competences between the United Kingdom and the European Union. The full report can be found at <https://www.gov.uk/government/consultations/voting-consular-and-statistics-review-of-the-balance-of-competences>.

Contents

| | |
|---------------------------------|----|
| European Commission | 2 |
| Scottish Government | 6 |
| Sharon Bowles (former MEP)..... | 8 |
| Statistics Denmark | 11 |
| Welsh Government | 14 |

EUROPEAN COMMISSION

3. STATISTICS

3.1 Overview

3.1.1 General framework

- Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics

<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R0223>

(see also Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 223/2009 on European statistics

<http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:52012PC0167>)

- European statistics Code of Practice (as revised in 2011)

http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-32-11-955/EN/KS-32-11-955-EN.PDF

- Commission Decision of 17 September 2012 on Eurostat

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:251:0049:0052:EN:PDF>

3.1.2 Main policy documents

- Communication from the Commission to the European Parliament and to the Council on the production method of EU statistics: a vision for the next decade, 10.8.2009, COM(2009)404

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0404:FIN:EN:PDF>

- Communication from the Commission to the European Parliament and to the Council 'Towards robust quality management for European Statistics', 15.4.2011, COM(2011) 211

http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/COM-2011-211_Communication_Quality_Management_EN.pdf

- Report from the Commission to the European Parliament and to the Council 'Towards implementing harmonised public sector accounting standards in Member States', 6.3.2013, COM(2013)114

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0114:FIN:EN:PDF>

3.2 Statistical programmes

3.2.1 European statistical programme

Currently in force:

- Regulation (EU) No 99/2013 of the European Parliament and of the Council of 15 January 2013 on the European statistical programme 2013-17.

<http://eur-lex.europa.eu/legalcontent/EN/ALL/?uri=CELEX:32013R0099> and

- Regulation (EU) No 1383/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EU) No 99/2013 on the European statistical programme 2013-17

<http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:354:0084:0084:EN:PDF>

Previous programme:

- Decision No 1578/2007/EC of the European Parliament and of the Council of 11 December 2007 on the Community Statistical Programme 2008 to 2012

http://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L_.2007.344.01.0015.01.ENG
and

- Report from the Commission to the European parliament and to the Council on the final evaluation of the implementation of the Community Statistical Programme 2008 to 2012, 13.12.2013, COM(2013)883

http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/documents/1_EN_ACT_part1_v5.pdf

3.2.2 Annual work programmes

- European Statistics Annual Work Programme 2014:

Part I: Overall priorities

http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/Overall_priorities_EN.pdf

Part II: List of outputs of AWP 2014

http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/List_outputs_AWP_2014.pdf

Part III: ESP objectives and legal references of AWP 2014

http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/ESP_objectives_legal_references_AWP_2014.pdf

- European Statistics Annual Work Programme 2013

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/EN_annexe_acte_autonome_0.pdf

- European Statistics Annual Work Programme 2012

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/AWP_2012.pdf

- European Statistics Annual Work Programme 2011

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/AWP_detailedEN_revised_final.pdf

3.3 Statistical committees and bodies

3.3.1 Governance of the European statistical system

- European statistical system committee (ESSC)

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/about_ess/statistical_committees/essc

including references to its working methods and its rules of procedures

http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/ESSC%20RoP_FINAL_EN.pdf

- European statistical governance advisory board (ESGAB)

<http://epp.eurostat.ec.europa.eu/portal/page/portal/esgab/introduction>

- European statistical advisory committee (ESAC)

<http://epp.eurostat.ec.europa.eu/portal/page/portal/esac/introduction>

- Conference of the Director Generals of the National Statistical Institutes (DGINS)

http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/statistical_committees/DGINS

including references to declarations adopted by the DGINS such as the 2013 Scheveningen Memorandum on Big Data and Official Statistics

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/SCHEVENINGEN_MEMORANDUM%20Final%20version_0.pdf

- European statistical forum (ESF)

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/news/ess_news_detail?id=158314626&pg_id=2737&cc=ESTAT_EUROSTAT

3.3.2 Legislation establishing sector-specific committees or bodies

- Standing Committee for Agricultural Statistics (SCAS Committee)

<http://eur-lex.europa.eu/legalcontent/EN/ALL/?uri=CELEX:31972D0279>

- Committee for Community statistics relating to the trading of goods between Member States (Intrastat Committee)
<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32004R0638>
- Committee for Community statistics relating to external trade with non-member countries (Extrastat Committee)
<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009R0471>
- Committee for Community statistics concerning balance of payments, international trade in services and foreign direct investment (BOP Committee)
<http://eur-lex.europa.eu/legalcontent/EN/ALL/?uri=CELEX:32005R0184>
- Gross National Income Committee (GNI Committee)
<http://eur-lex.europa.eu/legalcontent/EN/ALL/?uri=CELEX:32003R1287>
- Committee on monetary, financial and balance of payments statistics (CMFB)
<http://eurlex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32006D0856>

3.4 Statistical legislation: general and sector-specific

- Basic & general provisions
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/basic_general.pdf
- Statistical confidentiality
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/statistical_confidentiality.pdf
- Classification
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/classification.pdf
- Agriculture and Fisheries
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/agriculture_fisheries.pdf
- Internal and External trade
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/internal_external_trade.pdf
- Economy and Finance
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/economy_finance.pdf
- Energy and Environment
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/energy_environment.pdf
- Industry, Services and Tourism
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/industry_services_tourism.pdf
- Coal and Steel Statistics
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/coal_steel_statistics.pdf
- Population and Social conditions
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/population_social_conditions.pdf
- Transport
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/transport.pdf
- Research and Development
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/research_development.pdf

Statistical legislation is also directly available from a dedicated section on EUR-Lex at <http://eurlex.europa.eu/content/legis/legis-statistiques.html>. Furthermore, references to all basic acts in force in the field of statistics are included in the annual work programmes.

3.5 European statistical system agreements and statistical co-operation

- ESS agreement on 2014 pilot data collection on learning mobility via household surveys
http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/news/ess_news_detail?id=135099066&pg_id=2737&cc=ESTAT_EUROSTAT
- ESS agreement on Labour Force Survey 2014 ad-hoc module on 'labour market situation of migrants and their immediate descendants'
http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/news/ess_news_detail?id=141062712 &pg_id=2737&cc=ESTAT_EUROSTAT
- ESS agreement on Labour Force Survey 2013 ad-hoc module on 'accidents at work and other work related health problems'
http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/ESS_LFS_2013_AHM/EN/ESS_LFS_2013_AHMEN.PDF
- ESS agreement on EU-SILC supplementary variables on material deprivation to be collected in 2013
http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/documents/tab/Tab/ESS%20agreement%20SILC%202013%20material%20deprivation%20variables.pdf
- Statistical co-operation
http://epp.eurostat.ec.europa.eu/portal/page/portal/ess_eurostat/documents/statistical_cooperation.pdf

SCOTTISH GOVERNMENT

1. The Scottish Government welcomes the opportunity to contribute to this call for evidence. This response sets out the views of the Scottish Government in relation to the vital role that trusted statistics have to play in all areas of policy, and on the recent proposals to improve the Regulation on European statistics (Regulation (EC) No 223/2009).

Background

2. Production of statistics where necessary for the performance of the activities of the Union is included in the General and Final Provisions of the Treaty on the Functioning of the European Union in Article 338. This Article makes clear that the production of such statistics “*shall conform to impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators.*” This clearly demonstrates the vital nature of Member States producing trusted statistics across all policy areas. The work of the statistical profession is further governed by the Regulation on European statistics (Regulation (EC) No 223/2009)¹ and a substantial body of individual Regulations setting out the requirements in relation to the provision of statistics on specific topics.

3. The development and production of high quality, comparable statistics is a key underpinning of both EU and domestic policy. The European Statistical System (ESS) is a partnership between Eurostat and the national statistical institutes (NSIs) and other national authorities responsible in each Member State for the development, production and dissemination of European statistics. It is interesting to note that this work is viewed as so valuable to countries that the partnership also includes the EEA and EFTA countries. The ESS also coordinates its work with candidate countries and at European level with other Commission services, agencies and the ECB and international organisations such as OECD, the UN, the International Monetary Fund and the World Bank. The Scottish Government welcomes being part of a Europe-wide statistical system and is strongly supportive of its aims.

4. The field of statistics is one in which there are a lot of examples of the benefits of strong working relationships – both within the UK and internationally. The Scottish Government believes in the importance of developing and implementing regulations that make the most cost-effective use of information; and which are sensitive to the devolved nature of statistics. Working in this way we aim to meet policy needs whilst not overburdening businesses or households (including being sensitive to the secure and ethical management of their data) to the detriment of the quality of the data.

Proposed Reform

5. Economic developments in recent years have only underlined the need for trusted statistics. In April 2012 the Commission proposed amendments to the Regulation on European Statistics (Regulation (EC) No 223/2009) to further strengthen the credibility of EU statistics through the more universal adoption of a range of good practice measures. These covered: the professional independence of National Statistics Institutes (NSI); clarifying their coordinating role in the national statistical systems; and enhancing the use of administrative data for statistical purposes. Furthermore there was a proposal to enhance public accountability through establishing ‘Commitments on Confidence in Statistics’ (CoC) – which are akin to our own UK-wide practice of formally assessing statistical outputs against National Statistics standards.

¹ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European Statistics.

6. The UK-wide statistical system, which Scotland is part of, already operates to these high standards. As such the proposals were welcomed across the UK – subject to ensuring Member States were able to implement them in ways sensitive to local circumstances. In particular Scottish Government welcomed the reflection of the devolved nature of statistics in Scotland in relation to the coordinating role of the NSI. In addition, whilst enhancing the use of administrative data for statistical purposes would be enormously beneficial in both policy and cost-effectiveness terms it is vital that this can be taken forward by each Member State in a way that reflects existing cultures and public trust. Unlike many other Member States, we do not hold population registers and need to be mindful of the privacy and confidentiality sensitivities that shape our own current work in the field of maximising administrative sources.

EU Statistical Competence

7. Scottish Government recognises that trusted statistics produced to international standards of independence, quality and comparability are essential to our development, implementation and evaluation of policy. Clearly strong economic statistics are particularly key in relation to securing the trust of the markets as well as other stakeholders.

8. The professional independence of the Chief Statistician in Scotland is set out in the Statistics and Registration Services Act (2007)². The Scottish Government believes that independence would see us build on the considerable strengths and expertise of the Scottish statistical service. In order to fulfil EU Statistical law we would require a designated National Statistics Institute. We propose that the National Records of Scotland, as a Non-Ministerial Department, should take on that role.

² Prior to its enactment, the Scottish Parliament passed a legislative consent motion on 1 February 2007 so that the provisions would also extend to Scotland.

SHARON BOWLES

Response by Sharon Bowles, former MEP and Chair of the Economic and Monetary Affairs Committee, European Parliament (7th legislature 2009-2014)

1 July 2014

Introduction

The European Parliament has taken a deep interest in the quality of statistics. This is not new, it was also the case in the previous (sixth) legislature to my personal knowledge and involvement and I understand from debates also before that. The issue of statistics being fraudulent is very serious in the context of the stability and growth pact and debt and deficit levels. It was generally the received wisdom that statistics for Greece were being manipulated but the Commission claimed they did not have the powers or information to be able to confirm that or take action. The Parliament has asked about this in hearings many times and it was scrutinised again in the context of Hearings on Greece.

There have been significant attempts, with success, to upgrade statistics starting in the sixth legislature and continuing throughout the seventh legislature. For the main part the Parliament has supported the Commission (Eurostat) and in some cases pushed further. Member States have been reluctant on some of the upgrading for a variety of reasons and blocking minorities have threatened to prevent legislation. Cost and resources requirements and the less developed state of statistics in some Member States have been concerns. It is also the case that due to austerity programs statistical offices have been subject to cuts at the same time that the burdens and importance have increased through attention to the quality of statistics, their role in improved economic governance and review of budgets in the semester.

The economic crisis has shown the contagion and spillover effects of failing economies, which cannot all be blamed on banking contagion. The crisis in Greece and Ireland and the subsequent redenomination risk impacted globally, as evidenced by the concerns of the IMF as well as the US and many countries. Instability and recession in the Eurozone is still constantly cited as a drag with regard to the UK economy. This therefore enlarges the interpretation of stakeholders beyond those providing and using statistics to those affected by bad statistics in other countries via risk of economic drag.

The Parliament has therefore pressed hard on issues such as the professional independence of statisticians. Ideally much greater independence over appointment and the offices themselves is desired but several Member States (eg in Belgium) say that if there were independence of the statistics offices this would remove their funding. Others (eg France) say independence would be against the way in which appointments are made. The Parliament tends to view these as excuses but there are usually enough of these coupled with others not wanting other things for some of the negotiations to have been difficult. The European Parliament has been effective in tightening statistics and budgetary processes in the budgetary framework directive of the six-pack, and then following through with methodology in ESA2010, including to obtaining regional data which has been a source of instability and potential concealments within some Member States. Much better

awareness and transparency of contingent liabilities was obtained, but the Parliament had to press very hard to achieve this.

In the setting up of the peer reviews of the statistics offices during the sixth legislature, for which I was rapporteur, we pressed hard to achieve peer review of Eurostat as well. The first report from ESGAB will be published in the autumn and may also provide some interesting conclusions. Concerns have already been expressed about the multiple role that Eurostat has as both a partner and being able to exert disciplinary measures. Recognition of the existence of these multiple roles may be a first step to some solutions.

One concern of the European Parliament has been the appointment of the Director General of Eurostat and wanting to be able to ensure that in the Commission rotation it does not mean someone without relevant experience is put in that position. We have tried to have a veto over the appointment as a way to ensure this but the commission has resisted as they see this as the thin end of the wedge of the Parliament trying to have such a right for all DGs. Neither will the Commission accept any imposition of a qualification requirement on the basis that it interferes with its independence. This is an outstanding point in unfinished legislation where the Council shares the concern of the Parliament and so the Commission is requiring unanimity in Council which has had the effect of preventing agreement and holding up other important measures.

Responses to questions

What is the overall impact of EU competence on national statistical interests of UK stakeholders?

As one of the more sophisticated providers of statistics the impact should not be great as the UK would also comply with international standards and, one would hope, not at a minimalist level for a major trading nation.

However there may be instances where the collection of information for purposes such as purchasing price parity might mean some additional or more granularity or details than the UK by itself would contemplate, or with different timings. A question I would ask is whether mismatch of year ends is as much a reluctance of the UK to adjust, given that most of the businesses involved in surveys would have monthly management accounts and monthly or quarterly VAT returns, so data is not only available annually.

On purchasing price parities some streamlining perhaps to international standards might be possible, but I cannot judge whether this would be significant. When the legislation was updated during the 6th legislature (2004-2009) some attempt was made (by me as rapporteur) to achieve streamlining but it was impossible to dislodge the Commission from its own interests. The main use of PPP seemed to be in setting the salaries of Commission officials. Now that so many Member States are trimming due to economic circumstances this might be one area where the Commission could be less rigid.

EU statistics are also collected on a timetable based around the ECB for purposes of monetary policy, whereas UK statistics are not required for the Eurozone. Recently a more flexible (longer) timing was agreed for submission of non Eurozone statistics where the

timing was being reduced for Eurozone statistics in order to better fit the ECB monetary timetable.

What are the advantages or disadvantages of the balance between EU competent and national interests?

Statistics, through the link to the economic data and the ability for the Commission to monitor debt and deficit, is a matter of common concern both between Member States and for the wider public.

Some people will always complain about preparing statistics according to someone else's timetable and requirements just as a matter of inconvenience. However the wider interests and interdependence of economies and knowing that there are quality statistics over the whole of the EU must surely outweigh any inconveniences.

Where have European statistical activities helped or hindered national interests? Please provide an example in your answer?

No response other than the obvious help going forward that statistical fraud, leading to exposure to economic problems, must be less likely.

What are the future challenges and issues for UK statistics that may result from EU competence in statistics?

There may be instances where more work is required than for UK alone, which on a limited budget will obviously produce irritation. I do not know the full reasons why EU statistics should have greater granularity, but some of it is taking into account different traditions: no doubt UK has some things included that others do not want. Again it is hard to see this outweighing the benefit of confidence in European statistics generally. The peer review and Eurostat code of conduct may mean the UK statistical office could be criticised, which may not be liked, but in the interests of quality statistics having a peer review must be seen as helpful. It may be the case that there are professional differences of opinion about how some statistics should be processed but again a wider and international debate on such issues is needed to ensure that comparisons are accurate. The UK would be contributing to this internationally anyway.

Automating the collection of statistics so that they are much more real time should be investigated, much of the technology exists with so many transactions now being electronic or being processed electronically and I gave a speech on this to the ECB some time ago which caused some interest. Supermarkets can calculate on a daily basis whether they are charging more or less than other supermarkets, yet statistics still operates through surveys.

STATISTICS DENMARK

EU balance of competences

Defining national statistical interests can be a challenging task, as national interests can embrace various aspects of statistical production. In the case of Denmark the national focus is mainly put on minimizing the response burden and the costs of statistical production (having in mind cost-benefit balance), and towards the usage of administrative data to the widest extent.

The EU competences have a wide impact on the Danish statistical production since EU obligations take up about 63 pct. of Government appropriations and cover 99 pct. of the response burden related to business surveys.

But it has to be noted that the EU-statistics is to a high degree reflecting UN statistics and also complying with demands from other international organizations. The overall impact of EU competences is therefore difficult to measure as the majority of statistics would have been produced nationally in any case and furthermore, evaluating the impact of the EU competences should focus on those statistics that are solely produced for the EU reasons. Similar task of separating the methodology that is a result of EU-cooperation seems even more difficult. Separating EU-statistics and methodology would require a thorough and extensive work involving many actors and decision-makers, not mentioning the costs.

Advantages

From the Danish perspective, the biggest advantage of EU-cooperation is comparability of statistics.

In addition, EU-cooperation has a big impact on common quality standards. Those are ensured by international controlling mechanisms which according to our opinion enhance the credibility of European statistics. The use of peer reviews is a good example of setting common quality standards. Self-assessments can indicate areas for improvement in the Member States, but it is peer visits that really verify the quality of statistical production and professional independence in the Member States.

EU-cooperation contributes also to the development of common statistical methodology. Here is economics of scale of importance. It cannot be excluded that common development of methodology would exist on a considerable scale without the ESS- system, but we believe that the cooperation within the ESS brings the development to an even more far-reaching level. Furthermore, the work on methodology is set in a framework and controlled by the Eurostat that in this situation can be considered as apolitical. Finally, the development of methodology on the EU-level contributes to lowering the development costs in the Member States.

The EU-cooperation can help the Member States to develop statistics that they otherwise would not have produced nationally, and where there is an interest in producing such

statistics. In Danish case statistics on Global Value Chains is a good example here (and probably FATS or Green National Accounts).³

Disadvantages

Being a member of the ESS can have an impact on the Member States' possibility of controlling the costs linked to the production of specific statistics, as the legislation generally takes account of the interests of the majority of the Member States and country specific issues can be voted down. The similar is the case for administrative/response burden.

The choice of statistical methods can also be a challenge for some Member States. This can be illustrated by the recently adopted regulation on demography, where Denmark, while having extensive registers about the population, is also obliged to produce demography statistics by using other statistical methods.

Furthermore, the members of the ESS are subject to a form of a collective responsibility, i.e. a serious noncompliance with the quality requirements by one Member State leads accordingly to an increased monitoring and higher demands for documentation for quality work for all the Member States.

Finally, as a consequence of the crisis the ESS was subject to various initiatives with the respect to safeguarding the statistical production and ensuring the compliance with legislative requirements. It can be discussed whether all initiatives were strictly necessary or some of them contributed mainly to an increase in the red tape and administrative burdens. The Commission's reluctance to accept the views of the Member States also contributes to red tape. Here can the Member States' repetitive attempts to circumscribe the powers given to the Commission in delegated act be mentioned. Even though the MS have time after time amended the Commission proposals with respect to defining the objectives, contents, scope and duration of a delegation of powers, the Commission consistently does not introduce those provisions in the subsequent proposals.

Future challenges

Implementing the Vision has to be mentioned as one of the most important future challenges. This is a challenging task since the goals of the Vision are rather vague and can go in various directions and furthermore, the real outcome of the Vision is uncertain. However, it is expected from the Danish side that implementing the Vision implies extensive investments both in Denmark and on the European level. It is also unclear how the Vision will comply with the national statistical requirements and whether it will not create inconsistencies between national and European production. It is also unclear how the division of labour will be implemented in practice. Finally, the question of exchange of microdata and directly identifiable data is not yet fully answered. The Danish practice up to now does not presuppose the possibility of such an exchange. Before Statistics Denmark can enter such form of cooperation the Danish position has to be clarified – especially among the politicians and data suppliers. It is furthermore not clear how the new system of

³ The same argument can also go in an opposite direction - the EU-cooperation can force Member States to produce statistics that they otherwise would not have produced nationally. Those could be perceived by Member States as an unnecessary burden, only produced for comparability reasons.

data exchange will influence the credibility of data confidentiality and also how far can we go in exchange of confidential data.

WELSH GOVERNMENT

Statistics

1. What is the overall impact of EU competence on national statistical interests of UK stakeholders?

The majority of statistics for Wales produced due to EU regulation are provided by the Office for National Statistics, who have responsibility for the provision of economic, population and vital statistics for England and Wales. We understand from ONS that this represents a large proportion of their workload. For example, with regards to the Census of Population ONS and other Census offices had stringent deadlines to ensure that European data requirements were met.

The impact of EU competence on statistics produced by the Welsh Government appears to be more limited. Data for EU requirements are generally collated through UK departments with contributions from our data and often they make use of the data that is collected for our own purposes. Many of our surveys, data collections and statistical outputs are independent of any EU requirement and it could be argued would be carried out with or without any EU involvement.

The main areas over which EU competence has a specific impact to Welsh Government are elements of health statistics and agriculture statistics. This places additional requirements on producers of statistics in these areas as outlined under question 3 below.

2. What are the advantages or disadvantages of the balance between EU competence and national interests?

EU competence in statistics might lead to a conflict between meeting the requirements of users within Wales and those of Eurostat. Where EU requirements are demanding or significantly different to those required nationally this can lead to significant costs as well as opportunity cost as we would have an interest in using statistician time to undertake analysis that meets local requirements.

3. **Where have European statistical activities helped or hindered national interests? Please provide an example in your answer.**

For health statistics, the questions contained in the mandatory European Health Information Survey (EHIS) in 2014, although similar, were not the same as those in pre-existing national health surveys. As a result the EHIS had to be commissioned and carried out as a separate survey by the four UK countries, which entailed associated additional cost to Welsh Government (£35,000) and management time. For the purposes of national policy the EHIS data was of no use as data requirements were already being met by that collected by national surveys.

EU regulations will oblige the UK to produce a health accounts return under the 2011 System of Health Accounts in 2016. Some derogations from the full details of cross-classification by function, provider and financing scheme have been agreed, but there will have to be research, data collection and additional analysis to meet the remaining requirements. The major share of this work will fall to ONS, but the devolved administrations and the NHS will have to carry out the detailed work of mapping local sources of data to the SHA 2011 categories. Some grant assistance from the EU will be available, but there will

inevitably be a call on the capacity of Welsh Government and NHS Wales experts and this will incur an opportunity cost as it will impact on the time available for work on local priorities.

For agriculture, pre-existing farm surveys provide most of the EU requirements. Additional information is required for the Farm Structure Survey which is run 3 times in a decade. The EU provides funding to support this survey and this covers the extra data collection for Wales. The resources diverted to the additional collection means that there is the opportunity cost of being unable to do more extensive analysis with other data. Much of the agriculture data that are collected for EU purposes are of limited policy use to Welsh Government.

In their recent consultation on statistical products, ONS noted that statutory EU requirements were a large part of their work programme and as these could not be reduced ONS were required to make proposals concerning non-statutory outputs. As an indirect consequence therefore the EU requirement has hindered our national interests as ONS were required to propose the cessation of outputs that were of interest to Wales.

On the positive side, ensuring that there is a degree of harmonisation in definitions and data collection does provide us with valuable data to compare Wales internationally on a sound basis.

4. What are the future challenges and issues for UK statistics that may result from EU competence in statistics?

It is possible that EU requirements for data and harmonisation of processes and definitions will only increase particularly with the new vision for European statistics and the proposed new Framework Regulation for Integrating Business Statistics (FRIBS) and Framework Regulation for Integrating Social Statistics (FRISS). Any changes that impact on devolved administrations through regulating for further statistics will add to significant pressure on us and our ability to maintain other statistical products.

With regard to agricultural statistics it is hard to see how additional data will be used when data collected currently do not appear to be used effectively.

The proposed changes to Regulation 223 on European Statistics may have some impact although we are satisfied with the latest proposals which ensure the autonomy of heads of profession outside the ONS. Any changes to this position would represent real challenges in the future.