



Cabinet Office



UK Statistics
Authority

MEMORANDUM OF UNDERSTANDING

BETWEEN CABINET OFFICE AND THE UK STATISTICS AUTHORITY

April 2020

1. Introduction

- 1.1. This Memorandum of Understanding sets out an agreed framework for cooperation between the Cabinet Office and the UK Statistics Authority (“the Authority”). This agreement describes the responsibilities of the Cabinet Office, as sponsoring department, and the Authority, as an independent statutory body.
- 1.2. The functions of the Authority and its independence are set out in The Statistics and Registration Service Act 2007 (“the Act”), and the Act will take precedence over any part of this document. This document reflects a shared understanding between the Cabinet Office and the Authority. It sets out principles to enable each party to discharge its respective responsibilities effectively and to avoid duplication of effort or misunderstanding.
- 1.3. This document is signed and dated by the Minister for the Cabinet Office, the Chair of the Authority and the National Statistician. Copies of the document will be placed in the Libraries of both Houses of Parliament and made available to members of the public on the Authority and Cabinet Office websites.

2. The UK Statistics Authority

- 2.1. The Authority was established as a non-Ministerial department, operating at arm’s length from government, under the Act¹. The Authority assumed its powers on 1 April 2008.
- 2.2. The Authority is directly accountable to the UK Parliament, and also to the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly as appropriate.
- 2.3. Ministers have no role in the decision-making of the Authority Board. Ministers’ relationship to the Board will be consistent with the Code of Practice for Statistics² (including as referenced in the Ministerial Code), the UN’s Fundamental Principles of Official Statistics³ and the broader Nolan principles of propriety in public life⁴.
- 2.4. The Act and The Census Act 1920 set out the Authority’s main statutory duties. The Authority has a statutory objective of promoting and safeguarding the production and publication of official statistics that ‘serve the public good’. The public good includes:
 - informing the public about social and economic matters;
 - assisting in the development and evaluation of public policy; and
 - regulating quality and publicly challenging the misuse of statistics.
- 2.5. The Authority’s duties include the regulation of official statistics. It assesses official statistics for compliance with the Code of Practice for Statistics⁵, reports on system-wide

¹ In the Act, the Authority is referred to as 'the Statistics Board'.

² <https://www.statisticsauthority.gov.uk/code-of-practice/>

³ <https://unstats.un.org/unsd/dnss/gp/fundprinciples.aspx>

⁴ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

⁵ <https://www.statisticsauthority.gov.uk/code-of-practice/>

issues and on how statistics are used, celebrating when the standards are upheld and challenging publicly when they are not.

2.6. The Authority Board's responsibilities for the statistical system extend to England, Scotland, Wales and Northern Ireland. The UK statistical system includes:

- the Board of the UK Statistics Authority, which is responsible for oversight of the statistical system;
- the Office for Statistics Regulation (OSR), which is the regulatory arm of the Authority;
- the Office for National Statistics (ONS), which is the largest producer of official statistics in the UK and the UK's National Statistical Institute; and
- the Government Statistical Service (GSS), which is a professional community of all those involved in the production of official statistics in the UK.

3. Role of the Cabinet Office as Sponsor Department

3.1. In line with the Act, the Minister for the Cabinet Office retains a set of residual ministerial responsibilities for the Authority. These residual powers extend to:

- a. **Appointment of non-executive members of the Board** – The Cabinet Office will coordinate the process to recruit non-executive members of the Authority Board, in accordance with all relevant guidance. Counterparts in the Authority will be engaged with throughout the process, and the Chair of the Authority will also be on the recruitment panel.
- b. **Accounting for statistical business in Parliament** – Cabinet Office Ministers will account for business on behalf of the Authority where this can only be conducted by a minister. The Authority is itself accountable to the UK Parliament through the Public Administration and Constitutional Affairs Committee, including annual hearings and pre-appointment hearings of the Chair.
- c. **Issue direction in the event of a serious failure by the Board** – Under this power, the Minister for the Cabinet Office, or devolved counterparts with the Minister for the Cabinet Office's consent, would issue a direction to the Board, in line with the provisions of Section 29 of the Act. This power is intended as a power of last resort.

Working with ministers

3.2. Where ministers hold residual responsibilities Cabinet Office will work with the Authority to facilitate appropriate and timely ministerial approval/clearance of Authority business. The Authority will ensure Cabinet Office officials are sighted in advance, wherever possible, on such ministerial business.

Working with Parliament

3.3. Where appropriate Cabinet Office will refer Parliamentary Questions to the Authority to respond directly to the Member of Parliament. This will generally be appropriate where the Questions relate wholly to the Authority's own activities. The answer will be facilitated by the Cabinet Office Parliamentary Branch.

Departmental Senior Sponsor responsibilities

- 3.4. The Departmental Senior Sponsor is the senior Cabinet Office official charged with responsibility for the sponsorship of the arm's-length body. The senior sponsor and their Authority counterpart should ensure that both departments have a clear understanding of each other's objectives and methods of working, and how these fit together.
- 3.5. The Senior Sponsor will:
- a. act as the senior point of liaison between the Authority and the Cabinet Office, supporting Cabinet Office ministers in their residual responsibilities;
 - b. advise the Authority of central or departmental policy developments that might impact it;
 - c. work collaboratively with the Authority to facilitate the smooth operation of this Memorandum; and
 - d. advise ministers in relation to their residual ministerial responsibilities in relation to the Authority.

Dispute Resolution

- 3.6. Any disputes between the Cabinet Office and the Authority will be resolved in as timely a manner as possible. The Cabinet Office and the Authority will seek to resolve any disputes through an informal process in the first instance, and only formally escalate through the engagement calendar at paragraph 6.1 if necessary.

4. The UK Statistics Authority Board and appointment of Board members

- 4.1. In accordance with the Act, the Authority Board is comprised of a majority of non-executive directors (including a Chair) appointed through open competition, and three executive members.

Chair

- 4.2. The Chair of the Authority is appointed by HM The Queen following an open competition, in accordance with the *Governance Code for Public Appointments*, and subject to a pre-appointment hearing by the Public Administration and Constitutional Affairs Committee and a formal debate on the floor of the House of Commons. This process will be led by the Cabinet Office, in the same way as that of other non-executives to the Board.

Executive members of the Board

- 4.3. The three executive members of the Board are the National Statistician, and two other executives appointed by the non-executives, one of whom has always been the Director General for Regulation.
- 4.4. The National Statistician, a statutory post, is the Chief Executive of the Authority Board, and the principal adviser to the Board on professional statistical matters. The National Statistician is the Government's chief statistical adviser, Head of Profession for the Government Statistical Service and Head of the Analysis Function.
- 4.5. The National Statistician is appointed by HM The Queen through open competition according to the *Civil Service Commission's Recruitment Principles* and *Civil Service*

Senior Appointments Protocol. As such, the process is overseen by the First Civil Service Commissioner and managed on behalf of the Cabinet Secretary by the Permanent Secretary HR team in the Cabinet Office. Counterparts in the Authority will be engaged throughout the process, and by convention the Chair and Deputy Chair will be members of the selection panel.

- 4.6. The Director General for Regulation⁶ is the Authority Board's principal adviser in assessing compliance with the Code of Practice for Statistics. The Director General for Regulation is appointed by non-executive members of the Authority Board through open competition according to the *Civil Service Commission's Recruitment Principles* and *Civil Service Senior Appointments Protocol*.

Non-executive members of the Board

- 4.7. The Minister for the Cabinet Office may appoint at least five non-executive members of the Board following consultation with the Chair. Appointment is in accordance with the *Governance Code for Public Appointments*, including increasing diversity on boards. Counterparts in the Authority will be engaged with throughout the process, and by convention the Chair and Deputy Chair will be members of the selection panel. These appointments are regulated by the Commissioner for Public Appointments.
- 4.8. Once appointed, individual Board members should support the Board's statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good', and:
- work with the Chair and National Statistician to set the strategic direction of the Authority;
 - scrutinise the Authority's performance, and support the Chair in holding the National Statistician to account;
 - comply at all times with the Cabinet Office *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflicts of interest set out in *Managing Public Money*;
 - not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
 - comply with the Authority's rules on conflicts of interest and the acceptance of gifts and hospitality;
 - comply with the Authority's Governance Manual and their terms and conditions of appointment; and
 - act in good faith and in the best interests of the Authority.
- 4.9. The Chair is responsible for conducting formal annual appraisals for all non-executive members of the Board.

⁶ In the Act, the Director General for Regulation is referred to as the 'Head of Assessment'.

5. Financial accountability and audit responsibilities

- 5.1. The National Statistician is the Permanent Secretary of the Authority, and is appointed Principal Accounting Officer by HM Treasury, and is therefore personally responsible for spend by the Authority and is held accountable to Parliament.
- 5.2. The Authority shall follow the principles, rules, guidance and advice in *Managing Public Money*. Any exceptions must be agreed with HM Treasury.
- 5.3. *Managing Public Money* sets out the responsibilities of an Accounting Officer, including:
 - the propriety and regularity of the public finances;
 - keeping proper records for the public finances, including the annual report and accounts; and
 - safeguarding the Authority's assets.
- 5.4. The Authority is responsible for putting in place its own audit arrangements, in line with *Corporate governance in central government departments: code of good practice*; *Public Sector Internal Audit Standards*; and the *Orange Book*
- 5.5. The Authority's staff are civil servants, subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by both the Cabinet Office and HM Treasury.
- 5.6. The Authority may with the approval of the Minister for the Cabinet Office make to or in respect of members of the Board, employees or committee members payments by way of, or in respect of, remuneration, pensions, allowances or expenses.

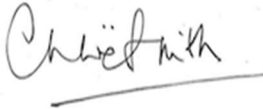
6. Engagement

- 6.1. Cabinet Office and the Authority shall meet to discuss sponsorship arrangements as specified in the following engagement calendar:
 - a. Biannual meeting between the relevant minister, the Authority Chair and National Statistician, or as required;
 - b. The Senior Sponsor and Authority counterpart will meet quarterly, or more frequently as necessary; and
 - c. Further meetings between relevant officials at the working level, as identified by the Senior Sponsor and Authority counterpart.
- 6.2. The Cabinet Office and the Authority recognise the need to keep in close touch with each other on matters of common interest or where the work of one may have some bearing on the responsibilities or duties of the other, without imposing on the independent exercise of the Authority's functions.

7. Review

- 7.1. In line with the arrangements set out in the Cabinet Office's *Tailored Reviews: Guidance on the Review of Public Bodies*, reviews of the Authority will be proportionate and independent. The Cabinet Office and the Authority will implement the recommendations of the Tailored Review as set out in the action plans, consistent with the Act.

- 7.2. This document will be initially reviewed after a period of two years from signature, and every three years thereafter.
- 7.3. The Cabinet Office and the Authority may propose changes to this document at any time, and these will be subject to agreement by the relevant minister, and the Authority Board.



Chloe Smith MP
Minister of State,
Constitution and Devolution



Sir David Norgrove
Chair of the UK Statistics
Authority



Professor Sir Ian Diamond
UK National Statistician

Annex A List of relevant documents

- [Statistics and Registration Service Act 2007](#)
- [Census Act 1920](#)
- [Managing Public Money – including annexes](#)
- [Code of Conduct for Board Members of Public Bodies](#)
- [Diversity Action Plan](#)
- [HM Government response to Lord Holmes Review](#)
- [Code of Governance for Public Appointments](#)
- [Orange Book](#)
- [Partnerships between departments and arm's-length bodies: Code of Good Practice](#)