Written evidence from the UK Statistics Authority (IGA 27)

Public Administration and Constitutional Affairs Committee
Inquiry into Government Accounts

Following your letter of 20 October 2016, I write to offer evidence to the Committee’s ongoing Inquiry into Government Accounts.

As the Committee is aware, the UK Statistics Authority was established by the Statistics and Registration Service Act 2007, with the statutory objective of “promoting and safeguarding the production and publication of official statistics that service the public good.”

Although the Authority’s statutory remit centres on official statistics, we are clear that many of the principles and practices we advocate with regard to official statistics have broader application. On occasions when the Authority has been asked for advice on the quality or presentation of numerical analyses not designated as official statistics (for example budgetary figures, or modelled projections), we have recommended that those producing and communicating numerical analyses that they refer to the standards set out in the Code of Practice for Official Statistics.

The following pages set out some detail on the principles and practices contained in the Authority’s Code of Practice for Official Statistics, with a particular focus on those we believe are relevant in the context of Government Accounts.

THE CODE OF PRACTICE FOR OFFICIAL STATISTICS IN THE CONTEXT OF GOVERNMENT ACCOUNTS

Introduction
Although the UK Statistics Authority’s statutory remit centres on official statistics, we are clear that many of the principles and practices we advocate with regard to official statistics have broader application.

This short note provides detail on:

- the statutory Code of Practice for Official Statistics, and the principles and practices it advocates;
- instances in which the Authority has been contacted regarding the quality, presentation or communication of figures relating to public funding and/or spending; and
- those principles and practice we consider might be particularly relevant in the context of Government accounts.

What is the Code of Practice for Official Statistics?
The Code of Practice for Official Statistics promotes the production and dissemination of official statistics that inform decision making, and supports the continuous improvement of those statistics\(^1\). It is a concise and specific statement that requires sound judgment and interpretation.

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The Code applies to all UK bodies that produce official statistics. It encourages and supports them to maintain their independence and to ensure adequate resourcing for statistical production. It helps producers and users of statistics by setting out the necessary principles and practices to produce statistics that are trustworthy, high quality and of public value. Compliance with the Code is a statutory requirement on bodies that produce statistics that are designated as National Statistics through the Authority’s Assessment process.

While the formal scope of the Code is official statistics, many of the principles and practices are likely to be helpful to producers of other data such as management information and those outside of official statistics such as third sector and private sector organisations.

The Authority is in the process of developing proposals for a refreshed Code which makes a clearer distinction between high level principles – with which a range of organisations can comply on a voluntary basis – and the core practices which apply to official statistics.

**Concerns raised with the Authority public funding and spending figures**

From time-to-time, members of the public, Parliamentarians and policy-makers contact the Authority for advice on how the principles and policies set out in the Code of Practice for Official Statistics apply in the context of numerical information not designated as ‘official statistics’. Views have been sought from the Authority on modelled projections, on analysis produced by bodies outside of government, and on figures set out in Government accounts.

The Committee may be particularly interested to note the following questions and concerns raised with the Authority recently, relating to public funding / spending:

i. **the funding of the NHS**

   In November 2016, the Authority responded to concerns that had been raised regarding the communication of numbers relating to NHS funding.

   In his letter of 21 November 2016, the Authority’s Director-General for Regulation, Mr Ed Humpherson, recommended that “for any statement drawing on official statistics or other public data the following principles should be followed: the source of the statement should be clear and accessible; aspects pertaining to the data such as the time period represented should be clear; and, it should be very clear about what is being measured and in what context.”

ii. **the 2016/17 police grant**;

   In early 2016, the Authority received correspondence from both the (then) Home Secretary and the (then) Shadow Home Secretary, regarding police budgets.

   Data on police funding are not within the scope of official statistics, and therefore fall outside the UK Statistics Authority’s statutory remit. However, in his letter of 24 March 2016, Sir Andrew suggested that: “To provide clarity, it would be helpful if all

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3 Correspondence available at: [https://www.statisticsauthority.gov.uk/correspondence/nhs-funding-4/](https://www.statisticsauthority.gov.uk/correspondence/nhs-funding-4/)


Letter from Shadow Home Secretary (June 2016): [https://www.statisticsauthority.gov.uk/correspondence/police-grant-201617/](https://www.statisticsauthority.gov.uk/correspondence/police-grant-201617/)
aspects of police funding were brought together in a single document, accompanied by appropriate commentary, to enhance understanding of these figures.\(^5\)

iii. *public expenditure savings*

On 24 November 2014, Sir Andrew Dilnot wrote to Mr Will Moy (Director, Full Fact) about his concerns regarding annual tax summaries prepared by HM Revenue and Customs, which broke down individuals' tax payments by categories of public expenditure.\(^6\)

While welcoming HM Revenue and Customs’ efforts to make statistics on public expenditure accessible, the letter noted that “In publishing any kind of numerical information, including official statistics, it is good practice to: clearly identify the source of the statistics, and provide precise links to each data item; clearly define the category labels of descriptors used…; publish supporting analytical information to explain the statistical breakdowns presented; and include contextual information.”

iv. *government spending on flooding defences*

On 14 April 2014, Sir Andrew Dilnot wrote to Mr Hugh Bayley MP, about questions regarding the presentation of flood defence expenditure figures.\(^7\)

In this letter, Sir Andrew explained that: “We consider that whenever a Department issues numerical information, it should have regard to the principles of the Code of Practice for Official Statistics - quality, transparency, accessibility, impartiality, and objectivity – whether or not the information is formally recognised as official statistics.”

**Important principles and practices, in the context on government accounts**

As set out above, the Authority is currently in the process of developing proposals for a refreshed Code of Practice which makes a clearer distinction between high level principles – with which a range of organisations can comply on a voluntary basis – and the core practices which apply to official statistics.

We expect to publish an exposure draft report on this process, on which we will invite comments and observations from stakeholders, in the coming months. The Authority will highlight this work to Committee members.

In the meantime, our experience in responding to concerns about figures relating to public spending and funding, suggest that the following principles and practices may be important to consider in the context of Government accounts:

- *Impartiality and objectivity*
  
  Figures should be presented impartially and objectively, and made equally available to all.

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\(^5\) Correspondence available at: https://www.statisticsauthority.gov.uk/correspondence/police-grant-report-for-201617/

\(^6\) Correspondence available at: https://www.statisticsauthority.gov.uk/correspondence/annual-tax-summaries/

\(^7\) Correspondence available at: https://www.statisticsauthority.gov.uk/correspondence/government-spending-on-flood-defences-and-the-scope-of-official-statistics/
• **Integrity**
  At all stages in the production, management and dissemination of figures, the public interest should prevail over organisational, political or personal interests.

• **Frankness and accessibility**
  Preparing and disseminating commentary and analysis that aid interpretation, and provide factual information about the policy or operational context.

*November 2016*