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STATISTICS FOR THE ECONOMY AND PUBLIC FINANCES INQUIRY

The Committee is grateful to the UK Statistics Authority for providing evidence to its *Statistics for the economy and public finances* inquiry. As you may know, this inquiry forms part of a wider programme of works on statistics that the Committee has undertaken over the past few years. The aims of the inquiry were to:

- identify the key areas of concern relating to the quality of statistics for the economy and public finances; and
- highlight issues for the Government after the general election in 2015 and for the UK Statistics Authority and the National Statistician.

The Committee has found the information gleaned from this inquiry most useful in highlighting key issues which merit further attention after the general election. We welcome the fact that you have identified statistics on economy, business and finance as a priority for the authority,¹ and we hope that you find this information useful in informing this work.

Key areas of concern relating to the quality of statistics for the economy and public finances

In our terms of reference we asked for evidence on “the adequacy of the statistics to support a wider range of users engaged with the economy and public finances”, and suggested a number of areas that needed improvement.² These can be found in Annex 1. We were impressed by the quality of the very detailed and constructive evidence received, and a summary of the key points is provided in Annex 2.

Overall, the evidence suggested that the list of areas outlined in the call for evidence provided a useful overview of issues on which the authority should focus.³ The following issues have been identified as being among the most important.

¹ [Minutes from UKSA board meeting of 31 July 2014](#)

²² [Call for evidence](#)

³ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0011 \(The Royal Statistical Society\)](#), [SPF0012 \(Economic and Social Research Council\)](#), [SPF0016 \(Greater London Authority\)](#)

Better data

The Committee welcomes the work being undertaken in relation to GDP and inflation and supports the priority being given to these issues. However, a number of other areas in which data could be improved were identified. For example, it was suggested that improvements in data on earnings and the panoply of financial information would be desirable. Financial data is worthy of particular note given the crisis of 2008, as so many economic indicators looked healthy in the run-up to the crash and gave little indication of the problems that existed. Diane Coyle suggested that the experience of the financial crisis “and its revelation that prior healthy GDP growth concealed serious weaknesses” had led to more demand for a range of indicators.⁴

One of the data fields most referred to in the evidence was sub-national, local and regional data. Diane Coyle said:

“The UK is a large economy with a startling paucity of readily-accessible regional and local statistics. I have worked on major initiatives on the Scottish economy and the Manchester economy during the past decade. While welcoming the improvements to UK regional statistics since the Allsopp Review, and recognizing the effort the ONS has put into this programme of work, the availability and quality of statistics on UK nations, regions and city regions is lamentable compared to many other advanced economies.”⁵

Northern Ireland and London were specifically identified as areas for which good-quality data is lacking.⁶ We note the GLA’s suggestion that “improving the provision of local and regional data will improve the overall quality of all ONS statistics” by improving the building blocks of the data used. We note also the suggestion that innovations in the way that data is gathered—for example, through greater use of automation—might help to produce economic data with richer local and regional information.⁷

On a positive note, Diane Coyle saw scope for “both cost savings and quality improvements” by using more administrative data and shifting to automated means of collection.⁸

The Budget Red Book and Public Finances

As outlined in our call for evidence, the Budget sources document and public finances publications are difficult for anyone except the most expert user to make use of. The Royal Statistical Society agreed that “public finance is a confusing, as well as controversial, area for users of statistics” and stated that “[e]fforts to bring clarity into publications are badly

⁴ [SPF0014 \(Diane Coyle\)](#)

⁵ [SPF0014 \(Diane Coyle\)](#)

⁶ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0006 \(Bill Wells\)](#), [SPF0016 \(Greater London Authority\)](#)

⁷ [SPF0014 \(Diane Coyle\)](#), [SPF0016 \(Greater London Authority\)](#)

⁸ [SPF0014 \(Diane Coyle\)](#)

needed.”⁹ We agree that more effort is needed to make these publications more user-friendly, and reiterate that the same is true of the Budget sources document. On this point, the Treasury stated:

“The Budget Data Sources document has a very specific purpose which is to provide details of sources of data in the tables, charts and graphs in the Budget. It transparently informs readers of the Budget document where the data used in the charts, tables and text comes from and how it has been calculated. The document does include links to the sources of historical data to allow readers to access this data but the inclusion of historical data in the document itself would be likely to increase the size and complexity of the document to unmanageable proportions.”¹⁰

The Committee feels that the Treasury, working with the UKSA, OBR and perhaps others, should find a way to make all Budget data available online in a way that is easy to find and use, and that will enable it to be preserved for use into the future.

Accessibility of data

A recurrent theme in the evidence was a desire to see Government statisticians make more data more readily accessible. This is partly a matter of improving the website and partly about having a clearer policy towards data publication so that more existing data is published.

Several contributors highlighted the importance of access to data, with the Economic and Social Research Council (ESRC), describing it as “critical for research”.¹¹ Ruth Lea outlined some of the difficulties she had experienced in accessing consistent long-run series; accessing disaggregated data on, for example, trade in financial services, and; reconciling similar data from different official sources. Some of the difficulties in accessing data were attributed to the ONS website, which was seen as being difficult to navigate.¹² Ruth Lea said:

“The website, I find, is not especially user-friendly...I am aware that the ONS has a vast array of data, but it would be enormously helpful to have a system whereby data can either be accessed directly (as with the Bank’s interactive database) or more logically (as with the IMF).”¹³

The TUC welcomed the ONS’s commitment to improving the site and outlined what it would like to see in an improved website:

“We need easy and logical access first to the key figures and stories, and then to electronic versions of associated time series, with methodological detail and associated analytics also easy to find.”¹⁴

⁹ [SPF0011 \(The Royal Statistical Society\)](#)

¹⁰ [SPF0017 \(HM Treasury\)](#)

¹¹ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0011 \(The Royal Statistical Society\)](#), [SPF0012 \(Economic and Social Research Council\)](#), [SPF0013 \(Ruth Lea\)](#), [SPF0016 \(Greater London Authority\)](#)

¹² [SPF0007 \(TUC\)](#), [SPF0013 \(Ruth Lea\)](#), [SPF0014 \(Diane Coyle\)](#)

¹³ [SPF0013 \(Ruth Lea\)](#)

¹⁴ [SPF0007 \(TUC\)](#)

Concerns about the accessibility of long-run, historic data series were raised by a number of witnesses.¹⁵ Ruth Lea said that it could be “very difficult, if not impossible, to find consistent, long-run series” on the website. She added:

“Of course, I appreciate definitions can change. But even with straightforward data it is more difficult than it should be to extract long-run series”.¹⁶

David B Smith noted the importance of “long back runs of consistently defined data for statistical estimation purposes”, particularly for macroeconomic modellers. On accessibility, he voiced concern that “there are many important series where no figures are available on the ONS data bank before 1997 Q1, despite the fact that earlier data had previously been published.”¹⁷

Providing excellent statistics for the future

We asked for evidence on what excellent statistics look like, and there was fairly wide agreement about the need for consistent, timely, comprehensive and good-quality data.¹⁸ Emer Gallagher and others said:

“Excellent statistics for the economy and public finances would mean attempting to provide statistics that include the following characteristics where possible:

- high level of detail e.g. breakdown
- available at the local and regional level
- available over long time periods for long run analysis
- follow international best practice in their corresponding areas
- openly accessible, at a minimal time lag
- always accompanied by the relevant methodology”¹⁹

Some contributors commented on the high quality of ONS output to date.²⁰ The TUC said:

“The work of the ONS is of paramount importance to democratic debate, and it is impossible not to be impressed by the clear and effective manner in which the vast amount of statistical output is produced. This is done under the most intense public and official scrutiny. We recognise that that these achievements are in spite of severe pressure on resources, given the austerity policies of the current government.”²¹

¹⁵ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0006 \(Bill Wells\)](#), [SPF0007 \(TUC\)](#), [SPF0013 \(Ruth Lea\)](#), [SPF0015 \(David B Smith\)](#)

¹⁶ [SPF0013 \(Ruth Lea\)](#)

¹⁷ [SPF0015 \(David B Smith\)](#)

¹⁸ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0006 \(Bill Wells\)](#), [SPF0007 \(TUC\)](#), [SPF0012 \(Economic and Social Research Council\)](#), [SPF0016 \(Greater London Authority\)](#)

¹⁹ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#)

²⁰ [SPF0005 \(Academy of Social Sciences\)](#), [SPF0007 \(TUC\)](#)

²¹ [SPF0007 \(TUC\)](#)

We do not underestimate the scale of the task that the ONS and UKSA face in providing excellent statistics for the future. We note the concerns that were raised by several contributors regarding the increasing strain on resources. Diane Coyle gave a useful overview of the challenges, including “major changes under way in the structure of the economy, the need to take account of the sustainability or otherwise of economic growth, public interest in well-being rather than GDP growth alone, the growing demand for better geographically disaggregated data in the UK, and the ONS’s need to adapt to the online world both in its own processes and in its engagement with users.”²² She suggested that “the scale of these combined demands is such that the ONS will need to review its priorities with a view to cutting spending on some kinds of statistics.”²³ The TUC identified some conflict between ONS core business and wider aims. It said:

“There is a difficult balancing act for the ONS between the publication of discursive pieces about the economy and society and the more straightforward construction, publication and explanation of economic statistics. While there is plainly a place for the ONS in the public debate, we consider the majority of ONS resources should be aimed at the latter where the comparative advantage is greatest; maybe the balance has tipped a little too far towards the former in recent years. In terms of priorities, we would prefer to see ONS focus the vast majority of its effort on the core business of the publication of high-quality routine statistics.”²⁴

Other contributors agreed that there should be a greater focus on the core business of producing high-quality statistics.²⁵

We also note the suggestions that the ONS should take a more strategic and collaborative approach to data collection.²⁶ For example, the Academy of Social Sciences said:

“ONS does much excellent work and deserves financial support but it lacks a framework. What it does is not joined up with data collection and research done by (among other agencies) the Economic & Social Research Council, National Audit Office, Office of Budget Responsibility, Bank of England, Whitehall departments, the NHS, the Institute for Fiscal Studies and business, especially the big retailers and banks.”²⁷

We suggest that the issues outlined above are considered a priority for action by the Office for National Statistics after the general election.

²² [SPF0014 \(Diane Coyle\)](#)

²³ [SPF0014 \(Diane Coyle\)](#)

²⁴ [SPF0007 \(TUC\)](#)

²⁵ [SPF0006 \(Bill Wells\)](#), [SPF0015 \(David B Smith\)](#)

²⁶ [SPF0002 \(Peter Jones\)](#), [SPF0005 \(Academy of Social Sciences\)](#), [SPF0006 \(Bill Wells\)](#), [SPF0011 \(The Royal Statistical Society\)](#), [SPF0012 \(Economic and Social Research Council\)](#), [SPF0014 \(Diane Coyle\)](#)

²⁷ [SPF0005 \(Academy of Social Sciences\)](#)

Bernard Jenkin MP

Chair, PASC

Annex 1

Areas suggested in the terms of reference as needing improvement

The Budget Red Book. The sources document published by HM Treasury is very limited in scope and not useful for the reader, who might reasonably want to put forecasts in the context of historical data. There may be more ONS could do.

Long time series. Changes in definition mean that not all series have a long history, but changes to the ONS website and its publication policy mean that finding data for long runs of years is often difficult and sometimes impossible.

Public finances. There are several publications available, including the monthly ONS release, the Treasury's Public Expenditure Statistical Analyses (PESA) and Whole of Government Accounts, and the Combined Online Information System (COINS), the database for UK Government expenditure. However, it is still hard for the user to have a full and clear picture of the state of the finances.

Publications. The ONS used to set out a picture of the economy based on a reading of all economic data, for example, through the compendium Economic Trends (now discontinued). There is evidence produced by others, such as the Bank of England, Confederation of British Industry, Chambers of Commerce and the Chartered Institute of Purchasing and Supply, is no longer incorporated into ONS publications and analyses but arguably should be to give a fuller picture.

Inflation. We look forward to seeing the outcome of the UK Statistics Authority's review into the Retail Prices Index and Consumer Prices Index, due to be published at the end of 2015, which will sit alongside the already announced new governance structures. Further work, such as reconciliation of all price indices, may be needed.

Access to data. We have previously reported on both communicating statistics and on open data; these issues will certainly need continuing attention in order to best meet the needs of users of statistics for the economy and public finances.

Administrative data. We have previously reported on the future of the census and are supportive of plans for greater use of administrative data. Concerns remain about the speed of development progress. The scope for innovative and improved economic data is huge. We anticipate that data collected through administrative records and new digital sources will be different from the traditional economic data but could shed a fuller light on developments in the economy and society more generally.

Local and regional data. More could be done to provide local, or even fuller regional, economic data.

Research and development spending. More could be done to measure the hard-to-measure elements of the economy, such as software or financial services.

GDP. We noted the findings of the review conducted by Dame Kate Barker and welcome observations on the significant resulting work programme for ONS.

House prices. We note ONS's consultation on the "development of a definitive house price index", and await the results which will inevitably lead to more work.

LIBOR and other financial data. Interest rates and other financial data are mostly not produced by ONS. The LIBOR manipulation crisis of 2012 was damaging to the reputation of statistics. There is a question over what ONS's role should be in relation to such data which, in the light of the events of 2008, are increasingly important to understanding the economy.

Labour market statistics. As the economy recovered there was much debate about the "productivity puzzle", giving rise to concerns about the reconciliation, accuracy and detail of labour market statistics. That has now given way to concerns about the statistical robustness of (real) earnings growth figures.

Statistical resources. There is a question mark over whether resources are allocated in the most appropriate way. For example, whether more be done to measure services (reducing detail in the manufacturing data).

User engagement. The adequacy of ONS's engagement with users on statistics for the economy and public finances.

Annex 2 - Summary of evidence

This short inquiry was launched listing a number of topics in the call for evidence that the committee thought might be the most relevant. Below, each of these topics is outlined, with a summary of key points of relevance from the evidence received by the Committee for this inquiry. Notes from the Committee's specialist adviser for this inquiry, Simon Briscoe, give further context in relation to the Budget Red Book.

The Budget Red Book

The Committee's call for evidence noted that the sources document published by HM Treasury alongside the Budget is limited in scope and usefulness for the reader. The Treasury responded to this point as follows:

“The Budget Data Sources document has a very specific purpose which is to provide details of sources of data in the tables, charts and graphs in the Budget. It transparently informs readers of the Budget document where the data used in the charts, tables and text comes from and how it has been calculated. The document does include links to the sources of historical data to allow readers to access this data but the inclusion of historical data in the document itself would be likely to increase the size and complexity of the document to unmanageable proportions.”²⁸

Note from the Committee's Specialist Adviser, Simon Briscoe:

Although the current service is certainly better than existed in the past, it still does not meet expectations in a number of respects. For example, the degree of detail given for each source alongside the data is mixed. An example is given below in figure 1, which shows that although a code identifier is given for a statistic, no hyperlink is given to the actual data set. In any case, a link to a live database means that (potentially very soon) after the Budget, the latest data will be uploaded at the source, and the data used in the Budget will no longer be available. So, the presentation by the Treasury shows the origin of the data but does not allow someone to recreate the Budget numbers after the event.

²⁸ [SPF0017 \(HM Treasury\)](#)

Figure 1: Excerpt from “Budget 2013 data sources” ²⁹

UK GDP growth	ONS (ABMI)	ONS Statistical Bulletin: Gross Domestic Product, second estimate 2012 Q4.
Nominal GDP growth	ONS (YBHA)	http://www.ons.gov.uk/ons/rel/naa2/second-estimate-of-gdp/q4-2012/stb-second-estimate-of-gdp-q4-2012.html
Euro area GDP in 12Q4	Office for Economic Co-operation and Development (OECD)	OECD Quarterly National Accounts. http://stats.oecd.org/Index.aspx?DataSetCode=QNA
US GDP growth	OECD	
Japan GDP growth	OECD	
OBR forecast for the level of GDP at the end of the forecast horizon	Office for Budget Responsibility (OBR)	OBR, <i>Economic and fiscal outlook</i> , March 2013, Table 1.1, page 9.

As tables and data shown in the Budget document change from year to year there is a lack of continuity in the series. This raises questions as to how users can access information about how a series that was presented in a previous Budget is performing. It would be a considerable boost to public engagement if such data were made readily available.

Long time series

Two main issues with long time series have been identified. First, changes in definition mean that not all series have a long history, and there is an issue regarding the lengths to which the ONS should go to recreate series on a new definition. Secondly, changes to the ONS website and to the office’s publication policy mean that finding data for long runs of years is often difficult and sometimes impossible. Several contributors outlined the need for long run series.³⁰ For example, the Academy of Social Sciences said:

“Long time-series on a standard basis are essential. Social scientists acknowledge that changes in data runs are inevitable, for example to reflect revision of internationally agreed definitions. But it is vital that series are extrapolated backwards and forwards in time under old and new definitions. Past data may be dropped when series are redefined or rebased and this severely hampers analysis.”³¹

²⁹ HM Treasury, [Budget 2013 data sources](https://www.gov.uk/government/publications/budget-2013-documents) document, March 2013, page 6. Accessed from: <https://www.gov.uk/government/publications/budget-2013-documents>

³⁰ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#), [SPF0005 \(Academy of Social Sciences\)](#), [SPF0006 \(Bill Wells\)](#), [SPF0007 \(TUC\)](#), [SPF0013 \(Ruth Lea\)](#), [SPF0015 \(David B Smith\)](#)

³¹ [SPF0005 \(Academy of Social Sciences\)](#)

David Smith said that one of the main needs of macroeconomic modelers is to have “long back runs of consistently defined data for statistical estimation purposes.” He went on to outline his concern that “there are many important series where no figures are available on the ONS data bank before 1997 Q1, despite the fact that earlier data had previously been published. Examples include real general government investment and most of the key series to do with the North Sea sector.”³²

Public finances

As outlined in the call for evidence, there are several publications available. These include the monthly ONS release, the Treasury’s Public Expenditure Statistical Analyses (PESA) and Whole of Government Accounts, as well as the Online System for Central Accounting and Reporting (OSCAR), the database for UK Government expenditure, which was previously known as the Combined Online Information System (COINS). The Treasury describes these as “a wide variety of complementary publications which provide users with additional insights into the public finances”.³³ However, it is still hard for anyone except the most expert user to have anything close to a full and clear picture of the state of the finances.

The RSS said:

“The committee notes rightly that public finance is a confusing, as well as controversial, area for users of statistics. Efforts to bring clarity into publications are badly needed. A system of more open governance, with ONS in the lead and publishing minutes of meetings, would be a great step forward to address potentially controversial decisions such as the classification of entities to public or private sectors, or treatment of unusual items.”³⁴

Publications

Several concerns were raised regarding statistics publications. Key economic data produced by the Bank of England, the Confederation of British Industry, Chambers of Commerce and the Chartered Institute of Purchasing and Supply is no longer incorporated into ONS publications and analyses. However, it was argued that this should happen in order to give a fuller picture. The Royal Statistical Society (RSS) said that “the ONS should set out a picture of the economy based on a reading of all economic data from the most relevant sources.” It added:

“To address this, we would like to see the advantages of the discontinued compendium of Economic Trends re-instated, in terms of ONS economists reporting publicly and online the most important summary measures. This would greatly improve upon the more piecemeal reporting we have at present.”³⁵

³² [SPF0015 \(David B Smith\)](#)

³³ [SPF0017 \(HM Treasury\)](#)

³⁴ [SPF0011 \(The Royal Statistical Society\)](#)

³⁵ [SPF0011 \(The Royal Statistical Society\)](#)

Similarly, the Academy of Social Sciences said that its respondents “regret the demise of analytical accounts such as Economic Trends.”³⁶

The point was also made that a lack of regular edited publications could damage the integrity of the data. For example, Bill Wells highlighted the danger that “the history of statistical developments will be lost with the advent of the internet as the main source of information.” He gave the following example:

“The background material to this enquiry mentions Economic Trends. There are similar publications – Employment Gazette for labour markets and other publications for other departments which have been discontinued and which are now inaccessible to most people. It may be worth scanning these documents on to computers...as this might help to ensure the evolution and consistency of the body of statistics in the UK.”³⁷

The RSS also suggested that old publications could be scanned and added to the website:

“The Bank of England has made available on its website scanned copies of past publications. It would be extremely beneficial to users of ONS data if they followed this cost-effective extension of the data available to users. Archives are important both to inform future decisions and as a matter of public record, as they allow us to examine past actions against the information that was then available. Archived versions of data releases should be preserved online and should not, as at present, be over-written with the latest version.”³⁸

The TUC identified some issues with press releases and associated publication policy:

“Routine releases have become exceptionally dense, with key themes sometimes difficult to discern. While an accessible explanation of what the figures are meant to do and methodological detail is very important, it is not clear this is best done in routine releases. The transition to mainly electronically accessible datasets and cessation of paper publications also involves difficulties for users of data...maybe more thought is needed on the structure, and explaining the structure, of electronic datasets.”³⁹

Inflation

The Johnson report on the Retail Prices Index and Consumer Prices Index was published in January 2015 and the Committee looks forward to seeing the National Statistician’s consultation on it later in the year. This will sit alongside the already announced, but not yet implemented, new governance structures.

There was praise for the Johnson review in the evidence, but concerns were also raised about its conclusions. The RSS said:

³⁶ [SPF0005 \(Academy of Social Sciences\)](#)

³⁷ [SPF0006 \(Bill Wells\)](#)

³⁸ [SPF0011 \(The Royal Statistical Society\)](#)

³⁹ [SPF0007 \(TUC\)](#)

“The recently published Johnson review into the range of consumer price indices has not adequately considered the main objective of looking at the range of indices needed. For example the review team only consulted a limited range of organisations, primarily from central government and related bodies. The RSS believes that a Household Inflation Index, reflecting what households actually pay and including a realistic measure of housing costs, is likely to be essential to replace the discredited RPI for uprating purposes. Neither CPI nor CPIH is adequate for this purpose.”⁴⁰

The TUC said:

“We recognise the ongoing debate about the relevant headline measures of inflation and the cost of living, including the treatment of housing and the formula effect. Plainly with the paramount importance of understanding the scale of the fall in the standard of living since the financial and economic crisis of 2008-09, these measurement problems are very badly timed.”⁴¹

The RPI CPI User Group suggested that there are many fundamentals still to be resolved. It also highlighted the importance of deflation—both the policy of how to do it and which figures to use—more widely and not just in relation to the RPI/CPI debate. It stated:

“Surprisingly little was said in the (Johnson) report about the use of consumer price indices for deflation purposes, notably the important need of producing constant price national accounts data. While specialised, this is an important issue; the replacement of RPI by CPI led to a noticeable increase in estimated GDP growth due to the formula effect. The suitability of various consumer price indices for this purpose needs to be examined alongside other needs and any problems or needed improvements noted and acted upon.”⁴²

Access to data

As outlined in the call for evidence, the Committee has previously reported on both communicating statistics and on open data. These issues will certainly need continuing attention in order to best meet the needs of users of statistics for the economy and public finances.

ONS website

A key issue for several contributors was the ONS website. The Academy of Social Sciences suggested that UK data is not being used for research because of difficulties accessing it via the site:

“The ONS website is subject, still, to heavy criticism. Respondents say it compares so badly with those of the US Federal Reserve Economic Database, the Bureau of Economic Analysis or the Bureau of Labour Statistics that UK academics choose to work on American rather than UK data and use it for teaching. A result could be less research on the UK economy.”⁴³

⁴⁰ [SPF0011 \(The Royal Statistical Society\)](#)

⁴¹ [SPF0007 \(TUC\)](#)

⁴² [SPF0010 \(RPI CPI User Group\)](#)

⁴³ [SPF0005 \(Academy of Social Sciences\)](#)

The TUC said that problems with the website were “well documented and substantial”, and outlined what it would like to see in an improved site:

“We need easy and logical access first to the key figures and stories, and then to electronic versions of associated time series, with methodological detail and associated analytics also easy to find.”⁴⁴

Ruth Lea suggested ways in which the website could be improved:

“The website, I find, is not especially user-friendly and it can be very difficult, if not impossible, to find consistent, long-run series. I am aware that the ONS has a vast array of data, but it would be enormously helpful to have a system whereby data can either be accessed directly (as with the Bank’s interactive database) or more logically (as with the IMF).”⁴⁵

Her submission also gave a worked example of how hard data is to find using the example of the EU/non-EU split of trade in, say, financial services.

Unpublished data

In addition to concerns about access to published data, some contributors highlighted the difficulty of accessing unpublished public sector data. It was also noted that the Government could help to make available data that rests in the private sector. Emer Gallagher and others outlined the difficulty they had experienced in accessing mortgage lending data for Northern Ireland:

“At present, regional mortgage lending statistics for Northern Ireland are provided by the Council of Mortgage Lenders (CML) based on the CML Regulated Mortgage Survey, however, public access to the historic series is limited and can only be obtained by negotiating with the CML directly, which can inevitably result in long delays. Similarly, SME lending and personal/household lending statistics are gathered by the British Banking Association (BBA) for the region. These statistics are informed by the main banks operating in the region: including Bank of Ireland; Danske Bank; First Trust Bank; Ulster Bank; Barclays; HSBC; and Santander. However, again the historic series is not publically and immediately accessible.”⁴⁶

The Greater London Authority (GLA) registered its concerns regarding an apparent discrepancy in data access:

⁴⁴ [SPF0007 \(TUC\)](#)

⁴⁵ [SPF0013 \(Ruth Lea\)](#)

⁴⁶ [SPF0004 \(Emer Gallagher, Derek Bond and Elaine Ramsey\)](#)

“Our current lack of access to certain data sources is an area of concern for the GLA. In particular, we currently do not have access to the Inter Departmental Business Register (IDBR) on the same basis as local authorities and government departments.”⁴⁷

Administrative data

The Committee has previously reported on the future of the census and is supportive of plans for greater use of administrative data. Concerns remain about the speed of progress. The scope for innovative and improved economic data was seen by respondents as being huge. We anticipate that data collected through administrative records and new digital sources will be different from the traditional economic data but could shed a fuller light on developments in the economy and society more generally. The Academy of Social Sciences suggested that the ONS could take more of a leadership role in this area:

“We are in the frontiers of change in the way data from people’s interaction with government is collected and utilized... Yet ONS has been oddly passive, refraining from active public debate. Administrative data of course demands care and exaggerated claims have been made for its use – but these are reasons why ONS might offer leadership and public education. Questions of access, accreditation, security, de-identification and public assurance demand systematic answers, pointing the need for enhanced collaboration between ONS, the research councils, advocates of open data and others, including data and statistics agencies in the devolved administrations.”⁴⁸

The Economic and Social Research Council (ESRC) agreed that administrative data was important, but also highlighted the potential role of private sector data:

“We welcome the inclusion of administrative data as an area for improvement as the extensive administrative data sets that are now becoming available will have a major impact upon research. However the role of private sector data might be further explored. The UK Statistics Authority should be encouraged to utilise data from all parts of government and from the private sector.”⁴⁹

The GLA saw administrative data as a route to addressing gaps in local data:

“We would also welcome further discussion on the availability of existing administrative sources to meet data gaps, and whether the GLA can obtain access to them.”⁵⁰

Local and regional data

A number of respondents raised concerns about gaps in sub-national data. Diane Coyle said:

“The UK is a large economy with a startling paucity of readily-accessible regional and local statistics. While welcoming the improvements to UK regional statistics since the Allsopp Review... the availability and quality of statistics on UK nations, regions and city

⁴⁷ [SPF0016 \(Greater London Authority\)](#)

⁴⁸ [SPF0005 \(Academy of Social Sciences\)](#)

⁴⁹ [SPF0012 \(Economic and Social Research Council\)](#)

⁵⁰ [SPF0016 \(Greater London Authority\)](#)

regions is lamentable compared to many other advanced economies. It is hard to see the widespread sense of shortfall in this regard doing anything other than growing in the years ahead. I would suggest one priority when it comes to gathering more administrative data in a more automated way (as suggested by Barker/Ridgeway) should be to ensure these are geographically disaggregated.”⁵¹

The Academy of Social Sciences suggested that the quality and scope of regional data had been affected by devolution:

“In parallel with devolution, regional data within both the UK and in England is thought to have deteriorated in quality and scope. An important argument for retaining the household census was the depth of small-area data it delivered. The development of self-government in Scotland is raising questions about UK data series and their adequacy in providing information to public and policy makers there – for example the General Household Survey. Ahead the respective roles of ONS and the data and statistics agencies in the devolved administrations must be refined.”⁵²

The GLA outlined its “long running concerns about the quality and detail of regional statistics together with the time lags involved in producing such statistics.” It went on:

“The lack of a regional breakdown or a regional version of a broad number of UK-wide statistics has hindered analysis of London’s economy both within the GLA and by the national government, which given the size of London’s economy (representing over 20 per cent of the UK’s total output) is detrimental to a detailed analysis and understanding of the UK’s economy as a whole.”⁵³

The GLA also highlighted the lack of sub-national services data, stating that “although regional goods imports and exports are available from official statistics, such official statistics are not available for regional services trade.” It continued:

“Given the size of the service sector in London’s economy relying on ‘estimates’ of London’s regional services trade provides an, at best, partial view of London’s economy. Similarly, the importance of the creative industries, a fast growing sector of the UK and London’s economies, is currently obscured by official statistics that do a poor job of highlighting this sector. We would therefore argue that greater detail on this sector, and the services sector in general, should be provided in official statistics.”⁵⁴

In support of its call for better regional data, the GLA suggested that this would be likely to lead to better national data:

“[W]e believe that improving the provision of local and regional data will improve the overall quality of all ONS statistics. That is, in order to provide robust local and regional data requires that the information sources used by ONS are built on robust sample sizes at the local and regional level (or alternative means of achieving such robust information at

⁵¹ [SPF0014 \(Diane Coyle\)](#)

⁵² [SPF0005 \(Academy of Social Sciences\)](#)

⁵³ [SPF0016 \(Greater London Authority\)](#)

⁵⁴ [SPF0016 \(Greater London Authority\)](#)

the local level are found). Such robust information will allow for the provision of improved data in all the other areas highlighted by the inquiry; if we improve the building blocks of the data we use (ie, better, more robust, local and regional data) then all data provision should be improved.”⁵⁵

GDP and national accounts

As outlined in our call for evidence, we have noted the findings of the review conducted by Dame Kate Barker and we welcome observations on the significant resulting work programme for ONS. We received some responses relating to the fundamental issues. Diane Coyle, for example set out a measurement challenge. She said:

“GDP and the broader national accounts are a conceptual innovation of their time, the late 1930s and early 1940s. Some of the most difficult challenges facing statisticians now are due to the dramatically changed character of the economy since then. These are in large part conceptual challenges, some of them of quite long standing; but they are ever more acute...

It is difficult to understand a largely service/intangibles based economy through the lens of a product based concept, in which quality changes and the distinction between nominal and real values are hard to measure. This is not quite equivalent to arguing for less detail on manufacturing and more on services, however, as that traditional distinction cuts across the tangible/intangible distinction. Having said that, there is still too much focus on the detail of conventional manufacturing statistics.”⁵⁶

She went on:

“GDP is also a flow measure of economic activity that does not take account of true economic depreciation, including of natural assets. The environmental satellite account is an important and welcome set of statistics covering much (not all) of the depletion of natural capital involved in delivering GDP growth. However, for sustainable growth, we would need headline figures on the economy that looked at asset changes across the range of different types of capital important for long-run prosperity – including, for example, the net change in the housing stock or stock of infrastructure capital; or changes in net indebtedness.”⁵⁷

Some respondents noted issues with particular data. For example, the TUC said:

“We do have a few outstanding concerns, in particular for a second year running there were major revisions to estimates of gross fixed capital formation, which, taken at face value, change very much the economic story since the crisis. We are also concerned about unexplained and difficult-to-interpret revisions to financial information for the household sector, on the balance sheet and financial account. These are of key policy interest, given high levels of private debt.”⁵⁸

⁵⁵ [SPF0016 \(Greater London Authority\)](#)

⁵⁶ [SPF0014 \(Diane Coyle\)](#)

⁵⁷ [SPF0014 \(Diane Coyle\)](#)

⁵⁸ [SPF0007 \(TUC\)](#)

The RSS picked up on issues relating to the finance sector:

“We have seen a decline compared to our historic position, and increasing criticism in the media that the national accounts do not cover topics of vital importance. This is particularly unfortunate in areas related to financial services where the UK is a major international player.”⁵⁹

David Smith, who is an avid user of national accounts data, listed a series of detailed concerns, and concluded that they are not fit for purpose. A lengthy extract from his evidence is given below:

“8...the ONS re-calculate the more recent volume data from scratch but splice on earlier series using chain-linking when the national accounts are re-based. However, there have been occasions when the splicing factors are incorrect, or applied for the wrong period due to clerical errors. The ONS practice of not checking earlier (i.e., pre- 1997 Q1 data) more diligently means that such errors accumulate over time.

9. The number of such errors is not trivial. After the new ESA-2010 national accounts data were released on 30th September 2014, for example, there were three subsequent sets of corrections that I am aware of. On 30th September, ten series were withdrawn, on 6th October 164 series were corrected (having been withdrawn on 1st October) followed by two more series on 13th October. Furthermore, the ONS tend not to ‘headline’ such corrections but hide them away in the deepest bowels of their website. External users can easily download a time series in good faith and never be aware that the data is erroneous.

10. The main conclusion is that from a macroeconomic modeller’s perspective the national accounts figures are indeed not ‘adequate for purpose’. In addition, data users cannot rely on the historic national accounts data on the ONS website being free of clerical and computational errors...

13. The issue of re-definition, as happened with the introduction of the new ESA-2010 national accounts is clearly more problematic. For example, the introduction of earnings from prostitution and the illicit drugs trade in household consumption in the ESA-2010 accounts brought in elements whose behaviour was probably very different from the rest of consumer expenditure. Under these circumstances, one might expect the relationship between the old and new measures of household consumption to be weakened by the inclusion of the new items. Nevertheless, if the relationship between the two series was weak, it would not be possible in logic to argue that both the old and the new measures of consumption were a valid reflection of the real-world economy. Furthermore, it would be reasonable to have little faith in the current data generation because of the suspicion that there would be further re-writings of history when the national accounts were next reworked.

14. In the limit, a situation where the ONS can produce a near infinity of weakly correlated accounts of the economy at any given moment of time is a situation in which the probability that any given set of ONS accounts has anything useful to say about the real-world economy is tending towards zero...

21. It is also worth noting that the upwards revisions to money GDP caused by the 30th September implementation of ESA-2010, and the accompanying changed definitions of government expenditure and receipts, have substantially altered previous estimates of the UK government spending and tax burdens. These changes are summarised in Table 2 (see the original evidence), which shows the effect using the three most widely employed measures of money national output. It can be seen that these purely definitional changes

⁵⁹ [SPF0011 \(The Royal Statistical Society\)](#)

have reduced the reported tax and spending burdens by some 1½ to 2½ percentage points depending on the precise definition preferred. These are substantial differences in terms of the current political debate, where the major parties proposals typically differ by much less than the revisions to the data. The confusion caused by the new definitions also seem to have been partly responsible for the ‘urban myth’ that the 2014 Autumn Statement was taking the government spending ratio back to the 1930.”⁶⁰

LIBOR and other financial data

As outlined in the call for evidence, most data on interest rates, banking statistics and other financial data are not produced by ONS. The LIBOR manipulation crisis of 2012 was damaging to the reputation of statistics, and there is a question mark over what the ONS’s role should be in relation to such data. This is especially important since the events of 2008, as financial sector data is increasingly important to understanding the economy.

The RSS recommended a closer working relationship between the ONS and the Bank of England:

“To improve access to financial data, we would recommend a Memorandum of Understanding between the ONS and the statistics division of the Bank of England, to cover their partnership in work on the economic accounts. As well as working more closely with ONS, we would like to see regular financial statistics produced and published by the Bank of England become an accepted part of official statistics.”⁶¹

Labour market statistics

Our call for evidence noted that there had been much debate about the “productivity puzzle” as the economy recovered. That gave rise to concerns about the reconciliation, accuracy and detail of labour market statistics, and later to concerns about the statistical robustness of (real) earnings growth figures.

In the past two months, UKSA has published a guide to labour market data and an assessment review, and this has been welcomed. However, some concerns regarding this area were raised in the evidence. The Academy of Social Sciences recommended updating the way this data is measured:

“Available data on employment, skills and rewards and particularly the Labour Force Survey are widely criticised: many jobs and the behaviour associated with them go unmeasured, and not just those recognised as ‘precarious’. Researchers believe ONS should reconsider how it measures and analyses work, for example new forms of flexible contract, zero hours and home working.”⁶²

Similarly, the RSS said:

⁶⁰ [SPF0015 \(David B Smith\)](#)

⁶¹ [SPF0011 \(The Royal Statistical Society\)](#)

⁶² [SPF0005 \(Academy of Social Sciences\)](#)

“The labour market is becoming more diverse with more flexible ways to work (eg zero hours contracts) and growth in both the number of self-employed and the variety of ways they work. Better understanding and measurement of these are essential. A major weakness is the exclusion of the self-employed from both of the main surveys of earnings.”⁶³

On earnings, the TUC noted:

“We recognise that there has been scepticism among some as to low rates of growth in earnings, but to the TUC these trends seem firmly established and increasingly better understood.”⁶⁴

Statistical resources

As stated in the call for evidence, the issue of whether statistical resources are being allocated in the most appropriate way needs to be addressed. For example, there is a question as to whether more should be done to measure services (reducing detail in the manufacturing data). Diane Coyle made a number of comments and suggestions in this regard, including that a more strategic approach was required in order to make better use of resources. Some extracts from her evidence are given below:

“The ONS faces some very significant challenges in continuing to provide high quality and relevant economic statistics in the years ahead; These include major changes under way in the structure of the economy, the need to take account of the sustainability or otherwise of economic growth, public interest in well-being rather than GDP growth alone, the growing demand for better geographically disaggregated data in the UK, and the ONS’s need to adapt to the online world both in its own processes and in its engagement with users; I believe the scale of these combined demands is such that the ONS will need to review its priorities with a view to cutting spending on some kinds of statistics. I do not believe that ever-greater refinement within the existing framework of GDP and the National Accounts is the right priority for the future...

8. I do not believe the ONS should spend its money on surveying people’s reported well-being (Spring and Autumn National Well-Being Measures); it is well-documented in the behavioural psychology literature that these measures change little over time, and they do not provide additional policy useful information...

10. There is a debate to be had about what indicators a useful economic dashboard should contain, and importantly how the information needs to be presented to serve its civic purpose of informing citizens and enabling politicians and policy makers to be held to account. Some people would prefer a single measure – but an alternative to GDP – to be adopted instead, precisely because it makes the holding to account easier. I think these single index alternatives are flawed.

11. Nevertheless, they and the dashboard initiatives alike speak to the tremendous distrust of the quarterly change in GDP as an indicator of economic health. The experience of the financial crisis – and its revelation that prior healthy GDP growth concealed serious weaknesses – has no doubt played a part in creating such distrust. My sense, though, is that the public concern about how well-founded GDP growth is, how widely its benefits are shared, what trade offs it might conceal, will last. The ONS will need to stay close to this debate...

⁶³ [SPF0011 \(The Royal Statistical Society\)](#)

⁶⁴ [SPF0007 \(TUC\)](#)

14. Like the rest of the public sector, the ONS has had to do more with smaller budgets. My experience with its staff is that they are highly knowledgeable and deliver a lot with their reduced budget. The changing character of the economy, new questions from policy makers and other users, and the technological challenges, mean that the demands facing the ONS will grow, however....

15. There is tremendous potential in moving to electronic reporting to gather data, and in collecting administrative data automatically (as noted in the Barker Review, 'Challenges'). This would offer both cost savings and quality improvements. However, the transition will require significant attention and could be costly as investment in both IT and processes would be needed. It would be highly regrettable if the ONS is unable to make this investment due to its budget constraints...

17. My sense is that the ONS will also quite soon need to take a serious strategic view about whether/how it needs to redirect its resources devoted to economic statistics. Although (some of) the National Accounts data remain vital, and although it is extremely difficult to stop collecting and publishing any statistics, there are some big gaps in the ONS's statistics and some big challenges. It is hard in the current climate to see those being filled unless less money is to be spent on some existing statistics."⁶⁵

Other respondents also highlighted resource issues. The RSS said:

"We firmly believe that the ONS is over stretched at the present time and inadequately resourced. A strategic effort is needed to adequately resource the publication of a wider range of statistics on economic issues of national importance."⁶⁶

David Smith stated:

"I have no inside knowledge of the ONS. However, it is hard to avoid the conclusion that the move from London to Newport led to the loss of skilled and experienced staff and that the quality of the ONS's output has suffered visibly as a result. Furthermore, and judging purely as a user, there seems to be inadequate resourcing on the IT side at the ONS."⁶⁷

The Academy of Social Sciences asked for "more clarity than at present about ONS' budgetary and accountability relationships within Whitehall." It went on:

"John Pullinger's predecessor established that the government gives ONS a budget rather than 'buys' particular surveys or data streams. This principle should be carried into the Spending Review that is likely after the May election. We urge PASC to affirm that good data costs money. Resources available to the ONS should reflect its prime importance in providing quality-assured socio-economic data and analysis. Some of what ONS does should be classified as capital investment and accounted for accordingly."⁶⁸

⁶⁵ [SPF0014 \(Diane Coyle\)](#)

⁶⁶ [SPF0011 \(The Royal Statistical Society\)](#)

⁶⁷ [SPF0015 \(David B Smith\)](#)

⁶⁸ [SPF0005 \(Academy of Social Sciences\)](#)

User engagement

On the adequacy of ONS’s engagement with users on statistics for the economy and public finances, the Academy of Social Sciences said:

“Things have improved—providing contacts for the various data series is helpful. But the former expert users’ group could usefully be revived. The new economic forums and opening up training to non-ONS staff are seen as steps forward and press releases are improved.”⁶⁹

Other areas of interest

In addition to the topics in the call for evidence, some wider areas of interest were flagged up by respondents. These are outlined below.

New data

A number of contributors suggested that more could be done to quantify hard-to-measure elements of the economy, such as software or financial services. One area of weakness identified was environmental data. Peter Jones said:

“Current approaches to collecting data and statistics in relation to this important emergent area of the economy is piecemeal and fragmented.”⁷⁰

Diane Coyle made a similar point.

“Quite a lot of the statistics required for an asset-based perspective are available in the National Accounts and the environmental satellite, but not all; and they are not presented in an accessible way that helps users understand the (widely-defined) sustainability of the economy.”⁷¹

The ESRC said:

“There are a number of other specific areas highlighted by our research community that might be improved: the areas of ‘investment’, ‘measurement of intangible assets’ and ‘measurement of innovation’. In all of these areas international best practice should inform the development of improved national statistics.”⁷²

The Academy of Social Sciences suggested that a “strategic recapitulation of ‘what we need to know’ would focus, for example, on better understanding of and better measures of R&D.”⁷³

⁶⁹ [SPF0005 \(Academy of Social Sciences\)](#)

⁷⁰ [SPF0002 \(Peter Jones\)](#)

⁷¹ [SPF0014 \(Diane Coyle\)](#)

⁷² [SPF0012 \(Economic and Social Research Council\)](#)

⁷³ [SPF0005 \(Academy of Social Sciences\)](#)

Diane Coyle suggested that it may be possible to give a kitemark to non-public sector data:

“The ONS is not the only statistical agency facing the combination of budget cuts and new demands. The suggestion has arisen that agencies should discuss – probably under the aegis of the OECD – whether it would be desirable and possible to develop a ‘kitemark’ to certify the quality of privately collected and published statistics. There are more and more projects (including large scale academic ones such as MIT’s Billion Prices Project[iv] among others) using online technologies to collect data, or user-generated data gathering. Official agencies could and should not replicate these efforts, but might have a very useful role in attesting to those reaching a statistical quality threshold. It would be interesting to look at the feasibility of this idea.”⁷⁴

Organisation and collaborative working

Several contributors suggested that the ONS could work more collaboratively with other organisations. For example, the Academy of Social Sciences pointed to organisational issues that limited the ability of the ONS to deliver economic statistics. It noted:

“ONS does much excellent work and deserves financial support but it lacks a framework. What it does is not joined up with data collection and research done by (among other agencies) the Economic & Social Research Council, National Audit Office, Office of Budget Responsibility, Bank of England, Whitehall departments, the NHS, the Institute for Fiscal Studies and business, especially the big retailers and banks.”⁷⁵

Similarly, the RSS said:

“The call for evidence is couched in terms of priorities for improvements by ONS. It should be recognised, however, that other public bodies have a role to play in the production of economic and financial statistics and should be making a contribution to their improvement. In particular, the Treasury and the Office for Budget Responsibility should be making improvements to the Budget Red Book; the Bank of England should be checking the quality of Libor and other financial data, and the Cabinet Office should be improving the legislative and procedural framework for better access to tax and administrative data.”⁷⁶

The Academy of Social Sciences outlined that users “need data that is comprehensible, well presented and interpreted,” and warned that the “often short-run demands of the Treasury and Bank may distort and even diminish wider understanding.”⁷⁷

Citing the examples of childcare data and spending by local authorities, the Academy also queried the lack of influence of UKSA on selecting priorities across government. It stated:

“The UK Statistics Authority is custodian of the ‘national statistics’ brand but vital data is collected and used that does not have the label. The UKSA has no obvious standing in

⁷⁴ [SPF0014 \(Diane Coyle\)](#)

⁷⁵ [SPF0005 \(Academy of Social Sciences\)](#)

⁷⁶ [SPF0011 \(The Royal Statistical Society\)](#)

⁷⁷ [SPF0005 \(Academy of Social Sciences\)](#)

decisions by Whitehall departments and other organisations about when and whether to collect data – even if it has oversight of statistical quality.”

It continued:

“We need a strategy for social science knowledge including socio-economic data...This strategic work cannot be done by ONS or the UKSA alone. Yet Whitehall lacks a ‘centre’ capable of such strategic thinking, as PASC has pointed out several times. Previous evidence has shown how variable collaboration between departments can be.”⁷⁸

Peter Jones also suggested that more co-ordination was needed, particularly in relation to statistics on the environment:

“The ‘environmental economy’ is one that offers great potential for enhancing national wealth in coming decades but it currently lacks a coherent data and statistical focus. Nevertheless it could be an excellent area to innovate and avoid the mistakes which characterise the current hidebound, fragmented structure of public information management when allowed to be driven by individual Ministries.”⁷⁹

Bill Wells said:

“It is important to include the experts in ‘policy’ departments in the development of statistics...Combining administrative and survey information might provide a more coherent and comprehensive picture than publishing each separately.”⁸⁰

Methodology

The evidence suggested that there was some confusion regarding policy changes in methodology. David Smith said that “the scale and frequency of the revisions to the ONS national accounts – in particular the introduction of annual re-basing, and the constant re-definitions and other innovations – make it almost impossible to distinguish between a revision, a re-definition and a clerical error.”⁸¹ He also noted possible conflicts in how uncertainties over data are resolved, stating:

“...there seems to be a fundamental distinction between the desire of statisticians to produce the best possible ‘snapshot’ of the economy at any given moment of time and the need of time series modellers for a moving picture taken from a consistent viewpoint over time. Small random errors in the data are not a major problem in an econometric modelling situation, because statistical techniques are designed to cope with them. However, major changes in the way that the data are compiled from one time period to another introduce ‘deterministic breaks’ which can give rise to insurmountable problems. This is probably one reason why macroeconomic modelling now seems to be in serious decline in Britain.”⁸²

⁷⁸ [SPF0005 \(Academy of Social Sciences\)](#)

⁷⁹ [SPF0002 \(Peter Jones\)](#)

⁸⁰ [SPF0006 \(Bill Wells\)](#)

⁸¹ [SPF0015 \(David B Smith\)](#)

⁸² [SPF0015 \(David B Smith\)](#)

Bill Wells said:

“There are...some areas where there have been 180 degree reversals in the statistical methodology. For example, the Weale Review of average earnings (of which I was a member) recommended that the change from the Average Earnings Index being a base weighted index to a current weighted index should be reversed as it no longer was a ‘pure’ measure of wage inflation but was also affected by changes in quantities (here employment) as well as price. However, since then the Average Weekly Earnings Index has been introduced which reversed. It may be that we have ended up in the right place but I believe that it should be examined again and, at the very least, there should be clear statements about exactly what the index is measuring.”⁸³

He went on:

“...I once represented the UK at an EU statistical conference in Berlin and indicated – on the orders of ONS – that the RPI was preferable to the CPI as a measure for three reasons:-

- The CPI was a harmonised statistics – it took exactly the same form in every country – whereas because of the different institutional situations in each country comparable but not harmonised statistics are more appropriate.
- Partly because it was not possible to get harmonised statistics in certain areas (because of the institutional situation in countries) the CPI was not a comprehensive measure. Most noticeably, it excluded measurement of housing costs – an important element of the cost of living.
- The CPI was a particular form of current weighted index and, as such was – for similar reasons to the AWE – not a ‘pure’ measure of inflation but rather a measure of expenditure...

...I have not seen any...reasons for this 180 degree change. I worry that without some knowledge of the history of statistical developments there is the danger that we have re-invented the wheel and come to a different conclusion.”⁸⁴

Reconciling data

There were several requests for more help in linking data or reconciling data from different sources. Ruth Lea said:

“(One) user-problem concerns reconciling similar data from different official sources. For example, one that defeats all but the most intrepid relates to the UK’s official transactions with the EU.”⁸⁵

The TUC said:

“In the past ONS has produced reconciliations between the various sources of labour market information, including households and business surveys and administrative

⁸³ [SPF0006 \(Bill Wells\)](#)

⁸⁴ [SPF0006 \(Bill Wells\)](#)

⁸⁵ [SPF0013 \(Ruth Lea\)](#)

sources, but more recently gaps have opened up in this area. The most obvious discrepancy is the unprecedented gap between the claimant count and ILO unemployment measure, which may be partly related to changes in the benefit regime. We encourage the regular publication / updating of such analyses, not least while there appears to be major structural change underway towards low cost and low quality employment.”⁸⁶

Policy and priorities

In its evidence the UKSA stated that “[s]trengthening the quality and comprehensiveness of economic statistics is a particular priority”. It also noted that one of the key priorities for the ONS is “improving the way ONS communicates and shares economic data with others”.⁸⁷ However the TUC saw a potential conflict between these aims. It said:

“There is a difficult balancing act for the ONS between the publication of discursive pieces about the economy and society and the more straightforward construction, publication and explanation of economic statistics. While there is plainly a place for the ONS in the public debate, we consider the majority of ONS resources should be aimed at the latter where the comparative advantage is greatest; maybe the balance has tipped a little too far towards the former in recent years. In terms of priorities, we would prefer to see ONS focus the vast majority of its effort on the core business of the publication of high-quality routine statistics.”⁸⁸

The Academy of Social Sciences noted that “dissemination and interpretation are often as important as the extent and depth of data collection.”⁸⁹ And the Economic and Social Research Council (ESRC) said:

“The provision of high quality and accessible documentation to accompany the data requires attention. Such documentation is important in enabling users to understand the context of the data and make best use of the data. The documentation on, for example, data.gov.uk, is not always helpful in their downloadable forms.”⁹⁰

However, other contributors thought that the production of high-quality statistics should be the priority. For example, Bill Wells said that the ONS should “concentrate on improving the comprehensiveness and quality of statistics.”⁹¹ David Smith said:

“An intellectual issue is that the ONS often seems to be more concerned with being at the international cutting edge of statistical technique than with the dull slog of producing accurate data on a routine basis. Any organisation staffed with well-educated, intelligent people tends to prefer intellectually stimulating ‘blue skies’ research to running a boring ‘milk-round’ style data delivery utility. A slower pace of innovation in the official data, together with more attention to the clerical virtues, might lead to a better outcome.”⁹²

⁸⁶ [SPF0007 \(TUC\)](#)

⁸⁷ [SPF0009 \(UK Statistics Authority\)](#)

⁸⁸ [SPF0007 \(TUC\)](#)

⁸⁹ [SPF0005 \(Academy of Social Sciences\)](#)

⁹⁰ [SPF0012 \(Economic and Social Research Council\)](#)

⁹¹ [SPF0006 \(Bill Wells\)](#)

⁹² [SPF0015 \(David B Smith\)](#)

The RSS highlighted areas where quality could be improved:

“One of the greatest strengths of the UK’s economic statistics is that they are part of an integrated framework set out in the internationally recognised System of National Accounts (SNA) and its European version (ESA). The ONS follows this framework in principle, but lapses and deviations have become apparent in recent years. In particular the published public sector accounts have often deviated from the sector accounts, and publication of the balance sheets of non-financial assets was temporarily stopped. Coherence in this area should be urgently pursued, including the ONS flow of funds programme, which should go some way toward making this part of the accounts fully functional.”⁹³

⁹³ [SPF0011 \(The Royal Statistical Society\)](#)