

Challenges Facing the United Kingdom Central Statistical Office¹

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1. Introduction

The last five years has seen a transformation in the United Kingdom Central Statistical Office (CSO). Its staff has risen from 170 to 1350. Its responsibilities have expanded to the fields of business statistics, retail prices and family spending. It has been established as a separate government department in its own right and as a “Next Steps” agency with a Framework Document setting out a “contract” between the CSO and the government. Last but not least, its remit has been changed from serving government to serving government and the wider community.

In this paper I intend to review three aspects of this transformation:

- planning and management
- better and more accurate products
- perception of UK statistics.

I will also examine developments across the wider Government Statistical Service (GSS) which encompasses the statistical work of a large number of government departments and agencies as well as the CSO. I will cover:

- the influence of Europe
- efficiency and effectiveness
- bibliographic information
- a code of practice
- deregulation
- the GSS committee system.

2. Planning and Management

The establishment in November 1991 of the CSO as a “Next Steps” agency, part of the wider reform of the UK civil service, provided a clear framework for our work. The Framework Document described the respective responsibilities of the government, in the person of the Chancellor of the Exchequer, and the CSO, in the person of the Director.

Armed with the Framework Document the CSO identified strategic management as an important engine for effective change. At its inaugural meeting in July 1992

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the new CSO Advisory Committee started an open, frank and far-reaching analysis of the CSO's performance. During the second half of 1992 a full situation analysis was carried out including an examination of strengths, weaknesses, opportunities and threats. Discussion was open and not always comfortable.

By July 1993 the CSO was ready to publish its first corporate plan (CSO 1993a). The plan included a mission statement defined in terms of the need to make sure that CSO statistics are used – both within government and the wider community. The vision for the future CSO is encapsulated in the corporate plan:

Be outward looking

- we are an outward looking organisation focused on the users of our products and services, but always taking full account of the load our inquiries place on providers of data.

Be effective in the use of resources

- we aim to provide a quality service in all our work. To do so we seek to realise the full potential of all our people and improve value for money.

Invest in the tools for the job

- underpinning our work are common standards and the best methodology. All our work is supported by effective information systems.

Play a wider role

- we also have a wider role to play in international statistics and in the work of the government statistical service as a whole.

Alongside the corporate plan a rolling three-year forward work programme was developed to provide for medium and short term planning, taking account of the resources available. A work programme for 1993–96 was published with the corporate plan (CSO 1993b).

The three-year forward work programme has been developed on two levels – the programme level which reflects the key CSO outputs and the main internal services, and the project level which reflects the basic units of resource allocation. Each element is drafted by the relevant programme or project manager which reinforces the role of that manager as the person responsible for the completion of the plan and encourages commitment to it. The resulting documentation provides a key management tool in pursuing the objectives in the corporate plan.

The programme strategies are submitted to the Minister for approval and once approved are laid before Parliament and published thus making a public commitment to the service the CSO plans to provide using the resources allocated to it.

Already the new planning process is yielding dividends and this year we announced plans (CSO 1994), for four new initiatives and three major cross-cutting developments each designed to push the CSO decisively in the direction described in the corporate plan.

3. Better and More Accurate Products

We have been working to improve all our products across the board. The effect of changes brought about by two major initiatives launched by successive Chancellors

of the Exchequer in 1990 and 1991 to improve the quality of economic statistics is now apparent. For example, Fig. 1 illustrates the improvements to sector balancing items and Fig. 2 shows recent reductions in revisions to the growth rate of GDP. As the effect of the 1991 initiative continues to feed through to published figures, further improvements will become evident in the statistics on balance of payments, stock-building, consumers' expenditure, GDP analysed by output and the financial accounts.

In a fast moving world better products often mean faster products. To illustrate our response to this challenge we now publish

- a provisional estimate of the growth of GDP from the previous quarter $3\frac{1}{2}$ weeks after the end of the quarter, 4 weeks earlier than before,
- expenditure, output and income breakdowns of GDP a month later, after $7\frac{1}{2}$ –8 weeks.
- full national accounts, including balance of payments, personal sector and industrial and commercial sector accounts, after $11\frac{1}{2}$ –12 weeks.

Improvements to the timing of some monthly releases have also been made:

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| • Index of Production | advanced by one day in 1992–93 and a further week in 1993–94 |
| • Producer Price Index | advanced by one day |
| • Overseas Trade (non-EC) | advanced by one day |
| • Retail Prices Index | advanced by two days from July 1993 |

The timetables have also been advanced for *Family Spending*, *Economic Trends* and *Regional Trends*.

Each year the CSO publishes about 130 monthly, quarterly and annual releases of key economic estimates. These have been re-vamped to make them more relevant and user friendly, and have been re-named CSO First Releases. Rapid access to statistical data has been assisted by greatly increasing the range of data made available through the CSO Databank. The Databank is released on disk and tape under headings which correspond to the main publication titles. This service is being continuously improved. In addition the CSO Statfax service, which delivers macro-economic data to customers within a very short time of publication, has been expanded.

The new initiatives announced this year also focus on better and more accurate products. The initiatives are:

3.1. Strengthening macro-economic statistics

A significant shift in priority towards service sector statistics and an increased attention to regional economic statistics is envisaged. Plans include the monthly collection of turnover data from the service sector to parallel the existing Monthly Sales Inquiry in the manufacturing sector; improved service sector prices; a whole economy price index covering not just household expenditure but also other forms of expenditure

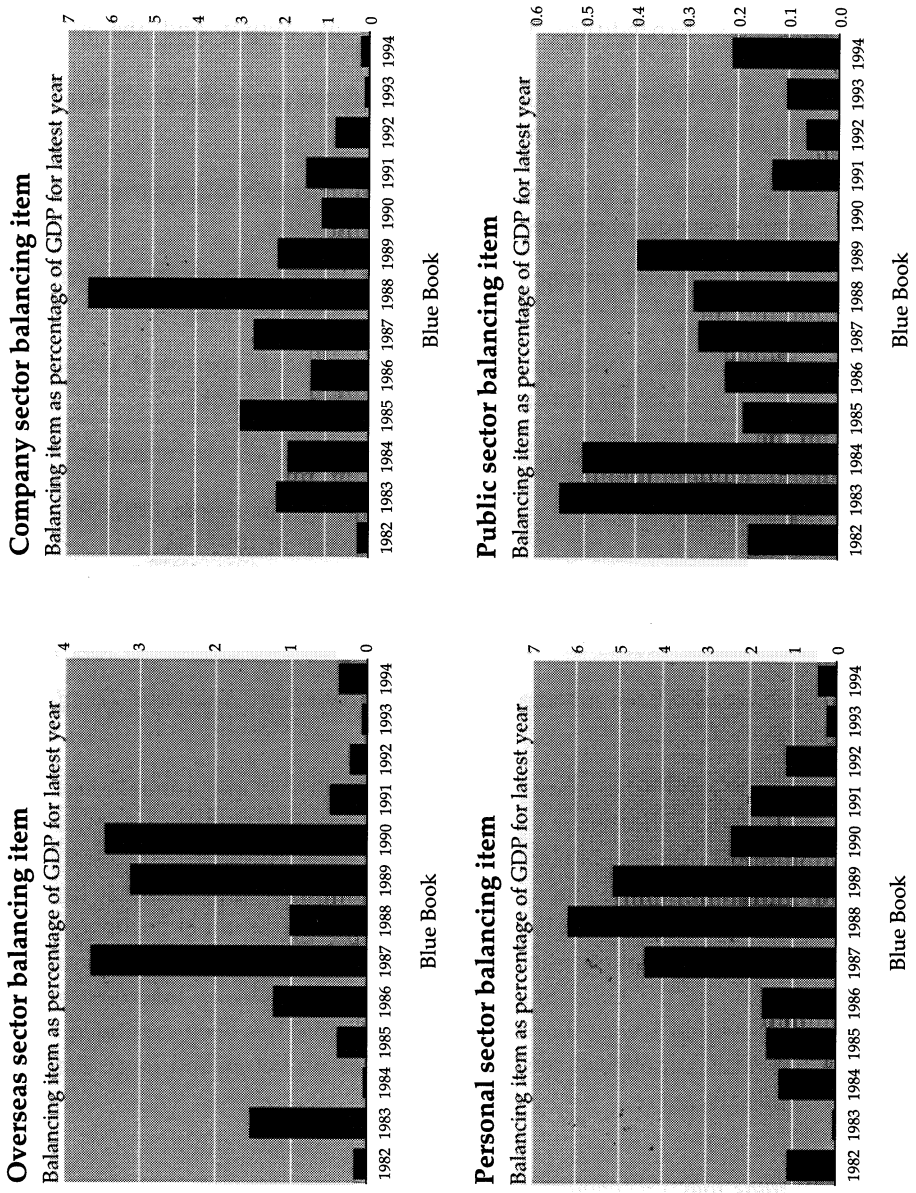
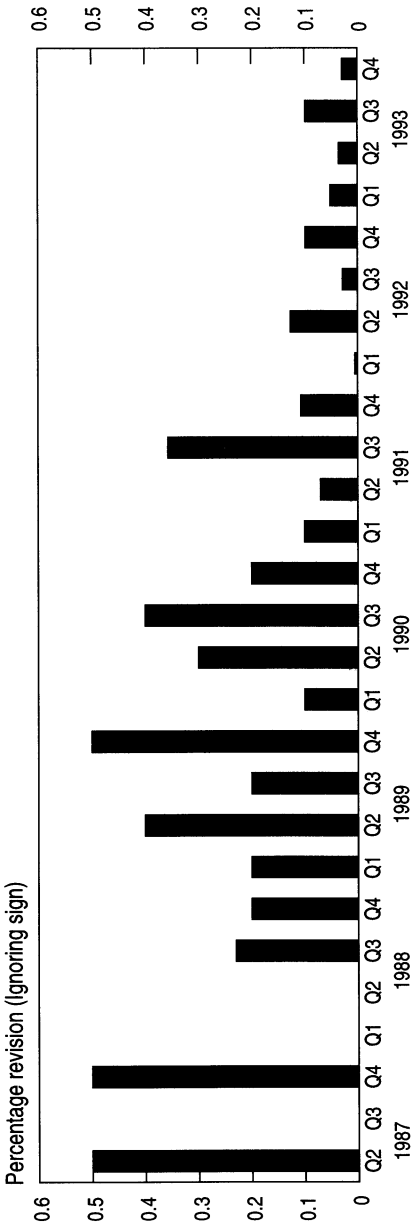


Fig. 1. Sector balancing items



Note: The chart shows the revision to the quarter on quarter growth rate in GDP between the estimates six and ten weeks after the quarter. The revision at 1993 Q3 reflected the rebasing onto 1990 prices.

Fig. 2. Revisions to the growth rate of gross domestic product

including capital expenditure, government consumption, exports and imports; improving the quality of regional estimates of components of Gross Domestic Product; improving the quality of the financial accounts and bringing them into line with international standards; and further improvements to balance of payments statistics.

3.2. Making markets work better

A twin track approach is aimed at minimising respondent load and providing a more useful statistical service to industry. To achieve the first of these aims, work will build on the recommendations flowing from seven business Deregulation Task Forces established by the Department of Trade and Industry. There will be an enhanced role for the CSO's survey control unit and development of Electronic Data Interchange for data on product sales. For the second, plans include the collection and publication of quarterly rather than annual product sales data for selected sectors in response to requests from industry; and the development of a new series of sector reports which will be of use both to government and business.

3.3. Adding value – making statistics work harder

We aim to add more value to our statistics so that they become more useful to analysts, forecasters and researchers. Plans include the establishment of an historical database of census of production information; a collection of statistics on the income and expenditure and balance sheets of a sample of charities; and the development of an international consultancy service.

3.4. Informing debate – a picture of society and window on government

A range of proposals aims to allow us to paint a fuller picture of society. These include the development of a UK statistical yearbook; improved bibliographic material; more Social Focus publications; a new Digest of Public Sector Statistics to bring together already available data; the development of UK/European Community industrial statistics; and greater contact with schools and libraries.

Our new marketing strategy aims to project the CSO and promote both new and existing products to a wider market. A new branch is responsible for marketing and sales, led by a Head of Marketing appointed from the private sector. At the same time, the role of our Press and Public Information branch will be strengthened to ensure that our statistics are widely and readily available to non-commercial users.

In addition we are making available substantial new resources for our methodology function which now has the published aim to ensure that the CSO uses, and is known to use, the best possible statistical methodology and that it measures the quality of its outputs. It also provides advice to other government departments and agencies on statistical methods and quality assessment.

4. The Perception of the Public

Users of statistics are seldom able to check the quality of official statistics directly. The

confidence they have in our data is therefore necessarily a function of their confidence in our government statisticians (Fellegi 1989). It is for this reason we have been stressing the professionalism of our approach and our objectivity, and emphasising quality throughout the CSO. I, and my senior colleagues in the CSO and the wider GSS, have taken every opportunity to explain our practices and approach in public, and we have made ourselves accessible to the media.

In my view, the reputation of the CSO, and the GSS, in the eyes of users and the public has improved significantly over the last few years. This view is shared by my senior colleagues. Significant factors in this change have been supportive government policy statements including the Citizens' Charter and the Open Government White Paper and the improvements to our release practices. However, there is no doubt though that the CSO's public image has also benefitted from the improvements in data quality which have been made as a result of initiatives launched by successive Chancellors of the Exchequer and backed up by considerable additional resources. Further, we have all been taking more trouble to explain ourselves to users, being open about our methodologies and consulting widely. In this respect, we have participated in a number of seminars organised by user groups, such as the Statistics Users' Council, and other external bodies.

5. GSS Developments

The progress made in the CSO provides a platform for developments across the GSS. To describe the activities of the GSS and to enable its work to be better understood a new annual guide to its work has been launched (Government Statistical Service 1994). The first of these guides describes the work undertaken department by department, reports the main achievements in 1993–94 and shows the main plans for 1994–95. It highlights the enormous quality and range of statistical work undertaken by the GSS and the complexity of the tasks it is engaged in.

In carrying forward GSS developments I have used a process like “osmosis,” building out from progress in the CSO. I have also been pleased to receive the personal support of the Prime Minister for four GSS-wide activities:

- to focus and co-ordinate statistical work with Europe
- to investigate the overall efficiency and effectiveness of the GSS, including where the gaps might be in the overall statistical picture
- to provide up-to-date information on statistical data sources
- to develop a code of practice.

6. Europe

With the introduction of the Single Market at the beginning of 1993 and the ratification of the Maastricht Treaty, the importance of Europe in UK statistical work has increased significantly. The inclusion of the principle of subsidiarity in the Treaty has done much to clarify the relationship between the member states and the European Commission. Where there is a clear need for statistical information at the Community level, common standards are vital and the community is best placed to set

these. Collecting and processing statistics to achieve the common standard is a matter for national decision.

The GSS has responded to the increased importance of Europe in a range of ways, working hard to build alliances to influence statistical programmes. Overall, we have been much more proactive in our approach. Specific examples of our efforts include:

- promoting the development of a new system of planning for European statistics
- seeking amendments to European draft legislation on data protection designed to safeguard statistical interests
- contributing to the considerations of a proposed European statistical law.

The pace of European developments is increasing. Examples of work at the European level during 1994 alone include:

- preparation of a draft regulation for the compilation of harmonised consumer price indices to help monitor economic convergence
- preparation of a draft regulation on the European System of National and Regional Accounts to provide for comparable statistics not least for calculation of member states budget contributions (the fourth resource)
- development of a range of statistical tools for monitoring and making best use of the Single Market (including PRODCOM, INTRASTAT and a proposed regulation on enterprise statistics)
- proposals for a regulation on statistics of air transport
- an action programme for employment statistics
- proposals for information technology developments.

In addition, the creation of the European Monetary Institute has heightened the activity of the committee for Monetary, Finance and Balance of Payments Statistics (CMFB) and the need for UK to put its distinctive case for institutional and data collection matters in this field.

We will continue to be proactive in shaping events in line with the principle of subsidiarity.

7. Efficiency and Effectiveness

Our investigation of the overall efficiency and effectiveness of the GSS has focused to date on gaps in statistics. We have undertaken three studies looking at economic statistics, regional statistics and social statistics, involving extensive consultation within and outside Government.

Results so far suggest that the coverage of economic statistics particularly macro-economic statistics is quite good. Many additional topics were suggested which it might be worth covering, but in the main a good coverage already existed in most subject fields. The main exception to this was service industry statistics but, as I noted earlier in this paper, the CSO has recently added several output and price collections to its current work programme in this field. Other initiatives underway will improve quarterly industrial product data (utilising the PRODCOM system) and estimates of capital stock.

Also, it was felt that the provision of statistics in each area of social policy is reasonably good. Only a handful of absolute gaps were identified (for example, statistics on language literacy). The most interesting point was that a number of users of GSS social statistics thought that there was room for improvement in our guidance, dissemination and international comparisons, and that we should make fuller use of the data available to government. The most pertinent comment along these lines came from Professor Bynner of City University who said

“... Although each series in itself is impressive and meets probably a good proportion of needs, overall there is fragmentation and inconsistency in content and approach. There is no feeling of a statistical profile/compendium of Britain coming through them. Links between national statistics coming from different sources is tenuous, and links with the continuous surveys designed to supplement them, often non-existent. Within each series the attention to user needs could be improved both in content and presentation. ...”

The exercise assessing gaps in regional statistics is not yet completed but it is already clear that its findings will show there is a strong demand for more statistical series at the regional level. Indeed, the geographic dimensions of UK statistics may in fact be the class of statistics which could benefit most from more attention.

The conclusions of each of these studies will be followed through over the next year.

8. Bibliographic Information

Turning now to the need to improve the bibliographic information on the statistical data sources of the GSS. Over the last year we have issued a new version of “Government Statistics: A Brief Guide to Official Sources” and, for the first time, “Regional Statistics: A Brief Guide to Official Sources.” The comprehensive “Guide to Official Statistics” will be updated and re-issued next year, and the feasibility of producing an electronic version is being investigated. Further, we are in discussions with the Statistical Users’ Council over a proposal to develop an electronic guide to all statistical sources – official and unofficial.

9. Code of Practice

We are also making good progress on the Code of Practice, with a draft issued in October 1994. The code will build on the commitments in the Open Government White Paper, and on the forward thrust of the Citizen’s Charter. It will aim to standardise and promote good practice throughout the GSS, and to engender trust among our users and contributors. The code will be based on the key principles which underpin our work, as shown below.

Members of the GSS will:

- set challenging service and quality standards and seek always to achieve them
- operate with integrity – that means behaving honestly and striving for objectivity
- be open about all aspects of the statistical process
- consult with interested parties, both inside and outside government, when planning
- place no undue load on respondents

- respect the privacy of all information given in confidence
- complement statistics with interpretation and advice
- make statistics accessible to all, in accordance with open government procedures
- communicate effectively with all involved in the statistical process – respondents, users, colleagues and anybody seeking information
- continuously seek to improve professional competence, with respect to both technical and management skills
- employ cost-effective methods.

In the full code, these principles will be expanded to show how they can be applied to each stage of our statistical work. I expect this code to have a positive and beneficial effect on statistical work across government, defining the GSS and what it stands for.

I intend to release the final version of the code in 1995, after full consultation with interested parties.

10. Deregulation

Deregulation has impacted on statistical work GSS-wide. All members of the GSS seek to minimise the load they place on businesses through the collection of statistics, through better form design, use of samples, the collection of data electronically, etc. This is a fundamental part of the job of statisticians, which if ignored would eventually result in the collapse of the collection process itself.

Of course statistical surveys account for only a very small part, probably 2% or less of the total form-filling load on businesses and, as the British Chambers of Commerce reported recently, this may reflect the considerable efforts made by government statisticians to simplify forms and procedures.

Within the CSO, however, the Survey Control Unit (SCU) is active in fulfilling its government-wide responsibility to ensure that the load placed on respondents by all new statistical surveys is rigorously justified, and that all regular government surveys are kept under frequent review, including consultation with contributors. To assist in this task, the SCU is developing a manual of best practice to help make the surveys which are needed as simple as possible for respondents. Furthermore, the SCU has taken an active part in the work of the Business Deregulation Task Forces, and following its proposals, the SCU has strengthened the instructions on survey control which will have a positive effect across the GSS.

11. GSS Committee System

Helping to bring the whole system together we are actively developing the GSS committee system which provides a formal mechanism for co-ordinating activities across the GSS. This has already been revitalised in the last two years. A Policy and Management Committee, chaired by me, determines the direction of the GSS. Reporting to this Committee are seven subsidiary GSS committees for methodology, dissemination, social statistics, economic statistics, regional statistics, international matters and computing. In addition the senior staff of the GSS meet once a year in order

to formulate corporate planning, develop strategic thinking and review overall GSS performance.

Increasingly a number of these committees will be supported by strengthened CSO central units. I have already mentioned our plans for the CSO methodology unit, which will act as a centre of excellence on methodology and be a resource available to all working in government statistics. I also intend to work along similar lines in respect of training and personnel, classifications and standards, computing, and dissemination and marketing.

12. Conclusion

Taken together the initiatives in the CSO and GSS-wide activities are having a major effect and are bringing us towards the aim of delivering a full statistical service to everyone. A quality statistical service demands three things:

- a real user driven culture – to ensure that we actually do improve decisions, stimulate research and inform debate
- technical excellence in methodology, standards and computing safeguarded by investment in well motivated staff
- positive public perception – in statistics perceptions are as important as the facts.

The UK CSO has made some decisive strides forward in all these areas over the last five years. Over the next five years these issues will be no less important.

13. References

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