Review of economic statistics:

call for evidence

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1 Introduction

- 1.1 The government's productivity plan, published on 10 July 2015, announced an independent review of economic statistics led by Professor Sir Charles Bean of the London School of Economics. The terms of reference of the review are to:
 - assess the UK's future statistics needs in particular relating to the challenges of measuring the modern economy
 - assess the effectiveness of the Office for National Statistics (ONS) in delivering those statistics, including the extent to which the ONS makes use of relevant data and emerging data-science techniques
 - while fully protecting the independence of the UK national statistics, consider whether the current governance framework best supports the production of worldclass economic statistics
- **1.2** This call for evidence is part of that review and will inform its findings.

To All domestic and international users of UK economic statistics

Issued 5 August

Enquiries

1.3 If your enquiry is related to the content or questions in this call for evidence, you can contact the review team by email to <a href="https://www.ukecontent.org/lines/bases/

2 Scope of the review

- 2.1 In line with the terms of reference this review of economic statistics will assess the UK's future statistics needs, the capability of ONS in delivering those statistics and the most appropriate governance framework to support production of those statistics.
- **2.2** ONS is the executive office of the UK Statistics Authority, an independent body with the statutory objective to promote and safeguard the production and publication of official statistics that serve the public good. Although other public bodies produce statistics in the United Kingdom, the review will principally focus on the ONS, as the primary source of economic statistics.
- 2.3 In assessing the needs of a modern economy, the review will look at statistics that are used to inform economic decision-making. This includes ONS publications from national accounts to labour market statistics to family expenditure data, as well as the data sources from across the public and private sectors that are used as inputs. The review will also consider any potential gaps in this range. Statistics not relevant to economic decision making fall outside the scope of the review. To understand the statistics needed to measure the modern economy, the review is seeking evidence from users of economic data.
- 2.4 This review follows a number of other reviews on specific areas of statistics, most recently the National Statistics Quality Review of the National Accounts and Balance of Payments, and the Review of UK Consumer Price Statistics. The review will carefully consider these previous studies, and seek to build on their findings to identify the UK's future statistics needs and how best to meet them. The review will also take note of the Authority's own assessment work.
- 2.5 The reviewer has been asked to make interim recommendations to the Chancellor of the Exchequer and the Minister for the Cabinet Office in the autumn, with a final report published by Budget 2016.

3 Call for evidence questions

- **3.1** The key questions of this call for evidence are outlined below, together with accompanying background information to assist users and create a suitably focused response. Responses are invited to all questions, but partial responses are also welcome where users feel they have little to say on particular questions.
- **3.2** The first part of the terms of reference of the review is to assess the UK's future statistics needs in particular relating to the challenges of measuring the modern economy.
- 3.3 There are a number of difficulties in measuring the modern economy, which represent significant challenges to all national statistics offices. These can range from specific issues related to the comprehensive measurement of a constantly evolving economy for instance, capturing the benefits of technological change through quality improvements to broader issues related to the provision of more granular information, for example more complete flow of funds data, or more detailed regional statistics. The questions below seek respondents' views on the nature of those challenges and appropriate future priorities.
 - 1 From your perspective, what are the most significant outstanding challenges in measuring the modern economy?
 - 2 Are there features of the modern economy that you think are not well captured in the present range of UK economic statistics?
 - What do you think should be the two or three top statistical priorities for measuring the modern economy?
- 3.4 The second part of the terms of reference of the review is to assess the effectiveness of the ONS in delivering those statistics, including the extent to which the ONS makes use of relevant data and emerging data-science techniques.
- 3.5 The ONS is the primary source of economic statistics in the United Kingdom. Delivering the UK's future statistics needs will mean ensuring that the ONS has the capability to publish timely, accurate and high quality data. That capability could be enhanced by improvements to methods of data collection, analysis or dissemination. This may require using new sources of information, as well as employing new techniques and technologies to gather and exploit those data sources. The experience of other countries or other data providers may offer helpful examples. One example of the potential use of "big data" is the recent trial by ONS of 'web-scraping' to collect a sample of price data online. The questions below seek respondents' views on whether the ONS is well-placed to deliver timely, accurate and high quality statistics.
 - What are the strengths and weaknesses in ONS's current ability to deliver the existing range of economic statistics?
 - What steps do you think are needed for ONS to have the capability to collect, analyse and disseminate the relevant data to meet future statistics needs?
 - What scope is there for ONS to exploit emerging data-science techniques in meeting future statistics needs?
- 3.6 The third part of the terms of reference of the review is to, while fully protecting the independence of the UK national statistics, consider whether the current governance framework best supports the production of world-class economic statistics.

- 3.7 For the interim recommendations to be published in the autumn, the immediate priority of the review is to assess the statistics needed for a modern economy and the capability of the ONS to develop those statistics. The review will subsequently consider what governance arrangements are most appropriate to support the development of those statistics and ensure the future needs for economic statistics are met.
- **3.8** The Statistics and Registration Service Act 2007 established the UK Statistics Authority as an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. The Minister for the Cabinet Office undertakes the government's residual responsibilities in relation to the UK Statistics Authority. Protection for the statutory independence for statistics is set out in the terms of reference of the review.
 - 7 Do you think the current governance arrangements for economic statistics support their effective production?
 - 8 Are there changes to those arrangements that you would advocate?
- 3.9 To enable the review to make the best use of your responses, respondents are asked to respond in the formats described below. In particular, respondents are asked to describe their use of economic data in order to enable the most useful analysis of responses.

4 How to respond

- **4.1** The call for evidence closes on 25 September 2015.
- **4.2** Responses should be sent to:

<u>UKEconomicStatsReview@outlook.com</u>

4.3 Alternatively, hard copies can be sent to:

Professor Sir Charles Bean London School of Economics Houghton Street London WC2A 2AE

- **4.4** The response questionnaire can be downloaded at: www.gov.uk/government/publications/review-of-economic-statistics-call-for-evidence
- **4.5** When responding, please state whether you are doing so as an individual or on behalf of an organisation.
- **4.6** Please note that submissions to this call for evidence will be published by the review.