

# Assessment of compliance with the Code of Practice for Official Statistics

## Balance of Payments Statistics

*(produced by the Office for National  
Statistics)*

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### **About the UK Statistics Authority**

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

The Authority's overall objective is to promote and safeguard the production and publication of official statistics that serve the public good. It is also required to promote and safeguard the quality and comprehensiveness of official statistics, and good practice in relation to official statistics.

The Statistics Authority has two main functions:

1. oversight of the Office for National Statistics (ONS) – the executive office of the Authority;
2. independent scrutiny (monitoring and assessment) of all official statistics produced in the UK.

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# **Assessment of compliance with the Code of Practice for Official Statistics**

## **Balance of Payments Statistics**

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## **ASSESSMENT AND DESIGNATION**

Under the provisions of the *Statistics and Registration Service Act 2007*, the UK Statistics Authority has a statutory function to assess sets of statistics against the Code of Practice for Official Statistics, with a view to determining whether it is appropriate for the statistics to be designated, or to retain their designation, as National Statistics.

Designation as National Statistics means that the statistics are deemed to be compliant with the Code of Practice. Whilst the Code is wide-ranging, designation may be broadly interpreted to mean that the statistics meet identified user needs; are produced, managed and disseminated to high standards; and are well explained.

Designation also signifies that, subject to any caveats in this report, the Statistics Authority judges that the statistics are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest.

Assessment reports will not normally comment further, for example on the validity of the statistics as a social or economic measure; though reports may point to such questions if the Authority believes that further research would be desirable.

Designation as National Statistics will sometimes be granted in cases where some changes still need to be made to meet fully the requirements of the Code, on condition that steps are taken by the producer body, within a stated timeframe, to address the weaknesses. This is to avoid public confusion and does not reduce the obligation to comply with the Code.

Designation is granted on the basis of the information provided to the Statistics Authority, primarily by the organisation that produces the statistics. The information includes a range of factual evidence and also assurances by the producer organisation. The views of users are also sought. Should further information come to light subsequently which changes the Authority's analysis, the Assessment report may be withdrawn and revised as necessary.

Once designated as National Statistics, it is a statutory requirement on the producer organisation to ensure that the set of statistics continues to be produced, managed and disseminated in compliance with the Code of Practice.

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# 1 Summary of findings

## 1.1 Introduction

1.1.1 This is one of a series of reports<sup>1</sup> prepared under the provisions of the *Statistics and Registration Service Act 2007*<sup>2</sup>. The report covers the following National Statistics produced by the Office for National Statistics (ONS):

- *United Kingdom Balance of Payments – The Pink Book*<sup>3</sup>.
- *Balance of Payments Quarterly Bulletin*<sup>4</sup>.
- *UK Trade Monthly Bulletin*<sup>5</sup>.

1.1.2 The report also covers the following ONS publications which do not currently carry the National Statistics designation:

- *UK Trade in Goods Analysed in Terms of Industries*<sup>6</sup>.
- *Monthly Review of External Trade Statistics*<sup>7</sup>.

1.1.3 This report was prepared by the Authority's Assessment team, and approved by the Board of the Statistics Authority on the advice of the Head of Assessment.

## 1.2 Decision concerning designation as National Statistics

1.2.1 The Statistics Authority confirms that the statistics detailed in para 1.1.1 above are designated as National Statistics and has determined that the statistics detailed in para 1.1.2 above can be designated as new National Statistics products, subject to ONS implementing the enhancements listed in section 1.5 and reporting them to the Authority by October 2010, except for Requirement 3 to be reported to the Authority by December 2010 and Requirement 11 by January 2011.

## 1.3 Summary of strengths and weaknesses

1.3.1 Balance of Payments (BoP) statistics are among the highest profile ONS outputs on account of their role in informing monetary and fiscal policy. The statistics conform to international standards and are published in a timely manner.

1.3.2 Users from other government departments are kept informed of changes to the statistics through regular user group meetings. Little evidence was found of wider user engagement, particularly in relation to the uses of the statistics, although ONS is planning to improve this in the future.

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<sup>1</sup> <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

<sup>2</sup> [http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga\\_20070018\\_en.pdf](http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf)

<sup>3</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=1140>

<sup>4</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=1118>

<sup>5</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=1119>

<sup>6</sup> [http://www.statistics.gov.uk/downloads/theme\\_economy/Mq1009Q4.pdf](http://www.statistics.gov.uk/downloads/theme_economy/Mq1009Q4.pdf)

<sup>7</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=613>

1.3.3 The statistics are based on a wide range of administrative and survey data and the process of compiling the statistics is complex. Contextual information to help users understand the strengths and limitations of the statistics is not always provided alongside the figures.

#### **1.4 Detailed recommendations**

1.4.1 The Assessment team identified some areas where it felt that ONS could strengthen its compliance with the Code. Those which the Assessment team considers essential to enable designation as National Statistics are listed in section 1.5. Other suggestions, which would improve the statistics and the service provided to users but which are not formally required for their designation, are listed at annex 1.

#### **1.5 Requirements for designation as National Statistics**

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|----------------------|---|
| <b>Requirement 1</b> | Investigate and document the uses of these statistics and user needs; publish information about users' experiences of these statistics (para 3.2).  |
| <b>Requirement 2</b> | Prepare a plan to engage more widely with users of these statistics and make this plan known (para 3.3).  |
| <b>Requirement 3</b> | Develop a resourced plan for the implementation of BPM6 including a communication strategy for consulting users and suppliers on relevant issues (para 3.7).  |
| <b>Requirement 4</b> | Signpost the fact that BoP revisions follow the National Accounts revisions policy (para 3.8).  |
| <b>Requirement 5</b> | Draw attention to the fact that certain statistics published in the <i>Pink Book</i> are provisional estimates and provide information on where the most up-to-date estimates can be found (para 3.13).                               |
| <b>Requirement 6</b> | Review options for improving the way in which these statistics are disseminated on ONS's website to provide easier access to these statistics (para 3.24).  |
| <b>Requirement 7</b> | Provide commentary and contextual information that aid the interpretation of the statistics published in <i>Monthly Review of External Trade Statistics</i> and <i>UK Trade in Goods analysed in Terms of Industries</i> (para 3.27). |
| <b>Requirement 8</b> | Take appropriate steps to deposit business survey data with the relevant national archive (para 3.31).  |
| <b>Requirement 9</b> | Publish the timetable for <i>Pink Book</i> statistical releases twelve months in advance of publication (para 3.33).  |

- Requirement 10** Publish the name and contact details of the responsible statistician in the releases for all these statistics (para 3.34).
- Requirement 11** Ensure that all releases are issued at 9.30am on the day of release (para 3.35).
- Requirement 12** Review the lists of those with pre-release access to these statistics (para 3.36).
- Requirement 13** Publish a Statement of Administrative Sources (para 3.38).

## 2 Subject of the assessment

- 2.1 Balance of Payments (BoP) is a system of accounts that presents statistics on the UK's economic and financial transactions with the rest of the world. Economic transactions include exports and imports of goods and services, income (for example, dividend payments) and transfers (including foreign aid). They also include cross-border payments associated with the international ownership of financial assets. The main 'balances' between inward and outward transactions that are derived from this system are the current account, the capital account and the financial account. The current account records international trade in goods and services, international income flows and current transfers. The capital account and financial account record the changing pattern in the international ownership of assets. The International Investment Position (IIP) is a closely related set of statistics which is presented alongside BoP statistics. The IIP records the total stock of foreign assets and liabilities held by the UK at a particular date.

### *History of BoP statistics*

- 2.2 The first annual BoP statistics were published in a pre-Budget White Paper in 1948. In the 1950s BoP statistics were the responsibility of the Bank of England (BoE). In 1960 this responsibility transferred to the Central Statistical Office (which became ONS in 1996). With this transfer in 1960 came the first publication of quarterly statistics and the first *Balance of Payments: Pink Book* (the *Pink Book*). Data for BoP are available annually from 1946 and quarterly from 1955<sup>8</sup>.

### *Methods for compiling BoP statistics*

- 2.3 The European Union (EU) requires BoP statistics for the UK to conform to the international standards set out in the IMF's Balance of Payments Manual (BPM). These international standards help ensure that the UK's BoP statistics are as comparable as possible with other countries. It also allows the data to be validated and reconciled with equivalent statistics produced by countries that the UK trades with. BoP statistics are currently based on the 5<sup>th</sup> edition of the BPM<sup>9</sup> (BPM5) which was published in 1993.
- 2.4 BoP statistics form part of the broader system of UK National Accounts<sup>10</sup> (NA) which provide a comprehensive and systematic statistical description of the UK economy. The concepts, definitions and classifications used to produce BoP statistics are consistent with National Accounts and both sets of statistics are compiled at the same time.
- 2.5 The international standard for National Accounts is the *System of National Accounts 1993*<sup>11</sup> (SNA93), jointly published by the United Nations, the Commission of the European Union (EU), the IMF, the Organisation for Economic Co-operation and Development (OECD) and the World Bank. The European Union published its own version of SNA93 in 1995, the *European*

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<sup>8</sup> <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1140>

<sup>9</sup> <http://www.imf.org/external/np/sta/bop/bop.htm>

<sup>10</sup> <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1143&More=N>

<sup>11</sup> <http://unstats.un.org/unsd/sna1993/introduction.asp>

*System of National Accounts*<sup>12</sup> (ESA95) which provides the basis for the UK National Accounts. BPM5, SNA93 and ESA95 are compatible. International standards for BoP and NA are updated in parallel in order to ensure their consistency and to achieve greater harmonisation.

- 2.6 Both SNA93 and BPM5 were amended in 2000 to give more consistent guidance on the treatment of financial derivatives. The IMF has recently updated the standards for BoP statistics in the 6<sup>th</sup> edition of its BPM (BPM6). ONS will implement these changes for publications in 2014, in line with other EU countries.
- 2.7 In most other EU Member States, and many other countries, responsibility for the compilation of BoP statistics lies with Central Banks and responsibility for the National and Sector Accounts lies with the National Statistical Institute. The UK is unusual in that its BoP and National Accounts are both compiled by ONS. For the UK this ensures a high degree of compatibility between these two sets of accounts<sup>13</sup>.
- 2.8 ONS told us that the total cost to ONS in 2008/09 of compiling the BoP statistics that are the subject of this assessment were around £1 million.

#### *Sources of BoP statistics*

- 2.9 Statistics on trade in goods are derived principally from data collected and published by HM Revenue and Customs (HMRC) about the physical goods exported from and imported to the UK<sup>14</sup>. These data are needed for HMRC's operational purposes. ONS makes various adjustments to HMRC data to conform to international standards. BoP also makes use of a range of different financial statistics that are provided to ONS by the BoE.
- 2.10 ONS's International Trade in Services<sup>15</sup> (ITIS) survey and Foreign Direct Investment<sup>16</sup> (FDI) survey produce statistics that are standard components of BoP statistics. In addition, the BoP statistics make use of statistics produced from the following ONS surveys:
- Insurance Companies, Pension Funds & Trusts Investments Surveys;
  - International transactions of the UK film and television industries Survey;
  - Securities Dealers & Asset Finance Surveys;
  - International Passenger Survey; and
  - Import and Export Price Indices.

#### *BoP statistics products*

- 2.11 Further information on the individual products that are the subject of this assessment is as follows:
- *United Kingdom Balance of Payments Pink Book*  
This annual publication presents detailed estimates of the UK BoP, including estimates for the current account, the capital account, the financial

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<sup>12</sup> <http://circa.europa.eu/irc/dsis/nfaccount/info/data/ESA95/en/titelen.htm>

<sup>13</sup> See ONS article at <http://www.statistics.gov.uk/cci/article.asp?id=1453>

<sup>14</sup> <https://www.uktradeinfo.com>

<sup>15</sup> <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14407>

<sup>16</sup> <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=728>

account and the international investment position. It also provides a geographical breakdown of the current account by 64 countries.

- *Balance of Payments Quarterly Bulletin*  
This publication presents summary statistics for the main BoP accounts and detailed statistics for the current account.
- *UK Trade Monthly Bulletin*  
This publication presents a summary of statistics on UK exports and imports of goods by broad commodity group, using the United Nations Standard International Trade Classification<sup>17</sup> (SITC): a statistical classification of commodities. It also presents high-level monthly estimates for total trade in services.
- *UK Trade in Goods Analysed in Terms of Industries*  
This quarterly publication presents analysis of UK exports and imports of goods by industry, using the Standard Industrial Classification 2003<sup>18</sup> (SIC(03)). Goods are attributed to the industry of which they are the principal products.
- *Monthly Review of External Trade Statistics*  
This publication presents statistics on UK exports and imports of goods by commodity group analysed by the SITC, with longer time series than the UK Trade Monthly Bulletin. It also includes summaries of overall trade with individual countries.

2.12 Other National Accounts outputs, ITIS and FDI published by ONS and trade statistics published by HMRC will be the subject of separate assessments.

#### *Users and uses of BoP statistics*

- 2.13 BoP statistics present vital information about UK trading patterns and provide an important indicator of the overall performance of the UK economy. The size of the current account surplus or deficit – the ‘trade balance’ – provides a headline measure of the extent to which the UK is living within or beyond its means. These measures are of considerable interest to Parliament and the general public. BoP statistics also provide essential information for the conduct of UK economic policy. The BoE’s Monetary Policy Committee (MPC) take the statistics into account in setting monetary policy. HM Treasury (HMT) take them into account in setting wider economic policy. HMT and the BoE take the statistics into account in assessing the performance of the UK economy. The Department for Business, Innovation and Skills (BIS) uses the statistics to identify the UK’s main international trading partners.
- 2.14 The statistical office of the European Union (Eurostat) and the European Central Bank (ECB) use UK figures as inputs to the aggregate EU accounts that they compile. The IMF uses these statistics for the UK as part of its responsibility for monitoring the stability and sustainability of international markets. There are also a wide range of organisations and individuals that make use of BoP statistics in assessing the performance of the UK economy.

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<sup>17</sup> <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=14>

<sup>18</sup> <http://www.statistics.gov.uk/statbase/product.asp?vlnk=14012>

### 3 Assessment findings

#### Principle 1: Meeting user needs

**The production, management and dissemination of official statistics should meet the requirements of informed decision-making by government, public services, business, researchers and the public.**

- 3.1 ONS convenes a BoP user group that includes users from the BoE, HMT, BIS and International Financial Services London<sup>19</sup>, an organisation that represents and promotes the UK financial services industry. This group has been in existence for many years and the format and content of the meetings is changing following feedback from members. Members of the group are consulted on all changes to the statistics, including the contents of the release. Some users told us that the BoP user group was an effective forum for users to engage with ONS.
- 3.2 ONS provided the Assessment team with an unpublished note on the uses of these statistics. As part of the designation as National Statistics, ONS should investigate and document the uses of these statistics and user needs and should publish information about users' experiences of these statistics<sup>20</sup> (Requirement 1).
- 3.3 The Financial and Economic Statistics Users Group (FESUG) – a group affiliated to the Royal Statistical Society (RSS) and represented on the RSS Statistics Users Forum – has invited ONS officials responsible for these statistics to quarterly roundtable discussions to coincide with the latest release of BoP statistics. This group has not met for some time. ONS informed the Assessment team of its plans to use FESUG to engage with wider users of these statistics. No other means of consulting wider users was currently employed, although user requests for information are saved on a local database. As part of the designation as National Statistics, ONS should prepare a plan to engage more widely with users of these statistics and make this plan known<sup>21</sup> (Requirement 2).
- 3.4 The statistics are published according to a plan which is dependent on the timetable for National Accounts releases.

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<sup>19</sup> <http://www.ifsl.org.uk/output/>

<sup>20</sup> In relation to Principle 1 Practices 2 and 5 of the Code of Practice.

<sup>21</sup> In relation to Principle 1 Practice 1 of the Code of Practice.

## Principle 2: Impartiality and objectivity

**Official statistics, and information about statistical processes, should be managed impartially and objectively.**

- 3.5 ONS presents BoP statistics impartially and objectively, accompanied by neutral commentary.
- 3.6 ONS pre-announced methodological changes to the *Pink Book 2008* in *Economic & Labour Market Review*<sup>22</sup>, four months in advance of the release date. We suggest that such changes be linked from a new BoP home page on ONS's website (also see the suggestion in para 3.24, under Principle 8).
- 3.7 ONS is currently considering the changes that it needs to make to BoP statistics to comply with revised international standards set out in IMF's BPM6. These are due to be implemented in 2014. As part of the designation as National Statistics, ONS should, by December 2010, develop a resourced plan for the implementation of BPM6 including a communication strategy for consulting users and suppliers on relevant issues<sup>23</sup> (Requirement 3).
- 3.8 ONS has a corporate statistical policy for revisions and corrections<sup>24</sup>. This states that key outputs, subject to scheduled revisions, will have a published revisions statement. BoP statistics follow the NA revisions policy<sup>25</sup> which is available on ONS's website although this is not stated clearly. As part of the designation as National Statistics, ONS should signpost the fact that BoP revisions follow the NA revisions policy<sup>26</sup> (Requirement 4).
- 3.9 ONS publishes all releases for these statistics on its website free of charge. A charge is made for hard copies of the Pink Book. ONS has a general policy on charging for goods and services but does not have a published policy on charging for supplementary statistical services. We suggest that ONS publish a clear pricing policy on charging for supplementary statistical services and update its guidelines for ONS staff.

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<sup>22</sup> [http://www.statistics.gov.uk/elmr/06\\_08/downloads/ELMR\\_Jun08\\_Humphries.pdf](http://www.statistics.gov.uk/elmr/06_08/downloads/ELMR_Jun08_Humphries.pdf)

<sup>23</sup> In relation to Principle 2 Practice 4, Principle 4 Practice 6 and Protocol 1 Practice 7 of the Code of Practice.

<sup>24</sup> <http://www.statistics.gov.uk/about/data/methodology/revisions/corp-stat-policy.asp>

<sup>25</sup> <http://www.statistics.gov.uk/CCI/article.asp?ID=1187>

<sup>26</sup> In relation to Principle 2 Practice 6 of the Code of Practice.

### **Principle 3: Integrity**

**At all stages in the production, management and dissemination of official statistics, the public interest should prevail over organisational, political or personal interests.**

- 3.10 No incidents of political pressures, abuses of trust or complaints relating to professional integrity, quality or standards were reported to or identified by the Assessment team.
- 3.11 ONS statisticians are involved in press briefings at the time of statistical releases. This provides ONS statistical experts with an opportunity to comment publicly on these statistics.

## Principle 4: Sound methods and assured quality

**Statistical methods should be consistent with scientific principles and internationally recognised best practices, and be fully documented. Quality should be monitored and assured taking account of internationally agreed practices.**

- 3.12 The *Pink Book* is normally published on ONS's website each July for the previous calendar year, at the same time as the National Accounts Blue Book. Hard copies are published the following month. In years when major methodological changes have been introduced, for example, to comply with revised international standards, the *Pink Book* has not been published online until October.
- 3.13 Calendar year data from the International Trade in Services survey and Foreign Direct Investment survey are not available until the following December. This is after the *Pink Book* has published initial estimates of these statistics. The *Pink Book* does not explain that these are provisional estimates. As part of the designation as National Statistics, ONS should draw attention to the fact that certain statistics published in the *Pink Book* are provisional estimates and provide information on where the most up-to-date estimates can be found<sup>27</sup> (Requirement 5).
- 3.14 ONS provides a description of the methods used to produce BoP statistics in the introduction of the *Pink Book* and in a chapter about methods. The methods adopted are consistent with the relevant international standards described in section 2. The quality of these statistics is subject to periodic review and the findings are published in the Summary Quality Report for Balance of Payments Data Releases<sup>28</sup> and the Summary Quality Report for UK Trade<sup>29</sup>.
- 3.15 As part of the validation of the data, HMRC checks how the UK's declared imports from an individual country compare with that country's declared exports to the UK. Significant discrepancies are reported to Eurostat and the European Central Bank who investigate and determine the correct data. An article was published about this in *Economic Trends*<sup>30</sup> in 2005. The Assessment team suggests that specific data quality issues are researched and articles published on a more regular basis.
- 3.16 One significant issue that has affected the UK trade data in recent years is the adjustment necessary for trade associated with a particular type of VAT fraud called 'missing trader intra-community' (MTIC). MTIC is a systematic, criminal attack on the VAT system (which includes 'carousel' fraud) that has been detected in many EU member states. ONS adjusts the BoP statistics in line with international convention. The UK was the first EU Member State to make adjustments to its trade statistics for this type of fraud. An article was published on this issue in *Economic Trends*<sup>31</sup> in 2003 and a follow-up article<sup>32</sup> was published in 2005.

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<sup>27</sup> In relation to Principle 4 Practice 2 of the Code of Practice.

<sup>28</sup> <http://www.statistics.gov.uk/cci/article.asp?ID=1453>

<sup>29</sup> <http://www.statistics.gov.uk/CCI/article.asp?ID=1723&Pos=2&ColRank=1&Rank=224>

<sup>30</sup> <http://www.statistics.gov.uk/cci/article.asp?ID=1056&Pos=1&ColRank=1&Rank=1>

<sup>31</sup> <http://www.statistics.gov.uk/cci/article.asp?ID=402>

## **Principle 5: Confidentiality**

**Private information about individual persons (including bodies corporate) compiled in the production of official statistics is confidential, and should be used for statistical purposes only.**

3.17 Most of the information that HMRC supplies to ONS for BoP statistics is not confidential. However, ONS told us that HMRC does supply ONS with some detailed commodity level aggregates that may be disclosive of individual companies. ONS ensures that these detailed level statistics are never published.

## Principle 6: Proportionate burden

**The cost burden on data suppliers should not be excessive and should be assessed relative to the benefits arising from the use of the statistics.**

- 3.18 Statistics on trade in goods are derived principally from data collected and published by HMRC about the physical goods exported from and imported to the UK<sup>33</sup>. These data are needed for HMRC's operational purposes. BoP also makes use of a range of different financial statistics that are provided to ONS by the BoE. The data from HMRC and the BoE are transferred electronically. ONS is responsible for the ITIS and FDI surveys which produce statistics that are standard components of BoP statistics.
- 3.19 ONS publishes a Simplification Plan<sup>34</sup> which presents estimated costs to business of responding to each of these surveys for the most recent year, and shows how these costs have changed since 2005/06. The 2008 Simplification Plan included useful information on key recommendations from recent reviews and quality improvements for each of ONS's business surveys. This information was not included in the 2009 Simplification Plan. We suggest that ONS include this information in its Simplification Plan for future years.

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<sup>33</sup> <https://www.uktradeinfo.com>

<sup>34</sup> <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14683>

## Principle 7: Resources

**The resources made available for statistical activities should be sufficient to meet the requirements of this Code and should be used efficiently and effectively.**

- 3.20 ONS told us that the total cost to ONS in 2008/09 of compiling the BoP statistics that are the subject of this assessment were around £1 million. ONS told us that this level of resource is sufficient to produce, manage and disseminate these statistics to the standards of the Code.
- 3.21 In February 2007 ONS published an article *Modernising the UK's National Accounts*<sup>35</sup>. This explained that ONS planned to reduce the number of charts and the analysis that accompany the geographic breakdown of BoP statistics in the *Pink Book 2007*. This was one of a number of temporary measures that ONS took to free up resources that were needed to modernise the National Accounts for 2008. The missing charts and analysis reappeared in the *Pink Book 2008*.
- 3.22 The production of BoP statistics was relocated from London to Newport during 2009. One member of the team transferred from London to Newport. Statistics for trade in goods transferred early on in the process allowing an extended period of parallel running between teams in London and Newport. Parallel running was less extensive for statistics on trade in services. ONS told us that the quality of BoP statistics was maintained during the period of this relocation.
- 3.23 ONS has a centralised recruitment process that ensures suitably skilled people are employed to produce these statistics. Appropriate competence frameworks are in place and ONS supports staff in developing their skills.

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<sup>35</sup> <http://www.statistics.gov.uk/cci/article.asp?ID=1737>

## Principle 8: Frankness and accessibility

**Official statistics, accompanied by full and frank commentary, should be readily accessible to all users.**

- 3.24 The breadth of material that ONS publishes on these statistics is impressive. However, the value of this material is substantially reduced because it is so difficult for users to find the information they need on ONS's website. The Assessment team considers that ONS's website relies too much on the PDF format for releasing BoP statistics, which make the data difficult to search for or to re-use. Users who contacted us cited ONS's website as a major barrier to accessibility. This is a particular problem for non-expert users. ONS told us that it has a development programme to launch a new website, but that this will not deliver any improvements until the start of 2011 at the earliest. As part of the designation as National Statistics, ONS should review options for improving the way in which these statistics are disseminated on its website to provide easier access to these statistics<sup>36</sup> (Requirement 6). We suggest that ONS develop a new home page on its website for BoP statistics.
- 3.25 The *Pink Book* includes relevant commentary, a summary of methods and an extensive glossary. ONS has added a few new tables to recent editions expanding the geographical breakdown for trade in goods and services.
- 3.26 The *Balance of Payments Quarterly Bulletin* contains commentary but some of the headlines are unclear. It would benefit from more economic analysis, including some comparisons of UK BoP statistics with other major countries. The contextual information also needs to be updated, for example, by providing a simple explanation of how the various components of the BoP are aggregated and by adding some information on the users and uses of the statistics. We suggest that ONS extend the contextual information and commentary that aids the interpretation of the statistics presented in the *Pink Book* and the *Balance of Payments Quarterly Bulletin*.
- 3.27 The Assessment team considers that the *Monthly Review of External Trade Statistics* and *UK Trade in Goods analysed in Terms of Industries* do not contain sufficient commentary or contextual information. As part of the designation as National Statistics, ONS should provide commentary and contextual information that aid the interpretation of these statistics<sup>37</sup> (Requirement 7).
- 3.28 The *UK Trade Monthly Bulletin* has recently been revised, improving the presentation of graphs and tables and enhancing the clarity of the information. We suggest that ONS implement these changes for the other releases of statistics covered in this Report.
- 3.29 All of the data from these outputs are available free of charge on ONS's Time Series Data<sup>38</sup> service. The specific codes for each data series are published alongside the data. We suggest that ONS explain the use of these codes in all publications of these statistics and provide a link to the Time Series Data service on its website.

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<sup>36</sup> In relation to Principle 8 Practices 4 and 5 of the Code of Practice.

<sup>37</sup> In relation to Principle 8 Practice 2 of the Code of Practice.

<sup>38</sup> <http://www.statistics.gov.uk/statbase/tsdtables1.asp?vlnk=pb>

- 3.30 The outputs are available through the National Statistics Publication Hub. However, visually impaired readers may experience difficulties accessing the data through PDF files when linked to ONS's website as the screen readers do not work and the text size cannot be increased. We suggest that ONS take steps to ensure appropriate standards are observed in the web-dissemination of these statistics.
- 3.31 ONS does not have a policy for archiving business survey data that meets the standards of the Code. As part of the designation as National Statistics, ONS should take appropriate steps to deposit business survey data with the relevant national archive<sup>39</sup> (Requirement 8).

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<sup>39</sup> In relation to Principle 8 Practice 7 of the Code of Practice as specified in Assessment Report 34.

## **Protocol 1: User engagement**

**Effective user engagement is fundamental both to trust in statistics and securing maximum public value. This Protocol draws together the relevant practices set out elsewhere in the Code and expands on the requirements in relation to consultation.**

3.32 The requirements for this Protocol are covered elsewhere in this report.

## Protocol 2: Release practices

**Statistical reports should be released into the public domain in an orderly manner that promotes public confidence and gives equal access to all, subject to relevant legislation.**

- 3.33 Releases for these statistics are accessible through the National Statistics Publication Hub. No future release dates have yet been scheduled for the *Pink Book*. As part of the designation as National Statistics, ONS should publish the timetable for the release of the *Pink Book* twelve months in advance of publication<sup>40</sup> (Requirement 9).
- 3.34 The releases for *Monthly Review of External Trade Statistics* and *UK Trade in Goods Analysed in Terms of Industry* do not include the name and contact details of the responsible statistician. As part of the designation as National Statistics, ONS should publish the name and contact details of the responsible statistician in the releases for all these statistics<sup>41</sup> (Requirement 10).
- 3.35 The Code requires National Statistics releases to be issued at 9.30am on the day of publication. ONS's website systems do not enable releases to be published simultaneously, which means there is sometimes a delay beyond 9.30am. ONS informed us that this matter is being reviewed as part of the web development programme, which is due to be completed in early 2011. As part of the designation as National Statistics, by January 2011, ONS should ensure that all releases are issued at 9.30am on the day of release<sup>42</sup> (Requirement 11).
- 3.36 The current list of those with pre-release access to BoP statistics has 24 recipients. ONS is undertaking a corporate review of pre-release access lists, but we understand that this is taking a long time to complete. As part of the designation as National Statistics, ONS should review the list of those with pre-release access to these statistics<sup>43</sup> (Requirement 12).

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<sup>40</sup> In relation to Protocol 2 Practice 2 of the Code of Practice.

<sup>41</sup> In relation to Protocol 2 Practice 6 of the Code of Practice.

<sup>42</sup> In relation to Protocol 2 Practice 4 of the Code of Practice as specified in Assessment Report 34.

<sup>43</sup> In relation to Protocol 2 Practice 7 of the Code of Practice.

### **Protocol 3: The use of administrative sources for statistical purposes**

**Administrative sources should be fully exploited for statistical purposes, subject to adherence to appropriate safeguards.**

- 3.37 Statistics on trade in goods are derived from administrative data collected by HMRC for its own administrative purposes. ONS told us that the definitions and concepts used for these administrative data are highly suited to the production of BoP statistics. We suggest that ONS ensure that it is made aware of changes to the administrative systems which may have implications for these statistics.
- 3.38 ONS is a major user of administrative data and we think that it could be more pro-active in managing and developing this resource. At the time of writing ONS had not published a Statement of Administrative Sources. We are not aware of a clear strategy for maximising the use of administrative data and ensuring that such sources are developed with statistical purposes in mind. As part of the designation as National Statistics, ONS should publish a Statement of Administrative Sources<sup>44</sup> (Requirement 13).

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<sup>44</sup> In relation to Protocol 3 Practice 5 of the Code of Practice as specified in Assessment Report 34.

## Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to the Balance of Payments statistics, in the interest of the public good. These are not formally required for designation, but the Assessment team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

- Suggestion 1** Publish a link to information on expected changes to these statistics on a new BoP home page on ONS's website. (para 3.6).
- Suggestion 2** Publish a clear pricing policy on charging for supplementary statistical services and update the guidelines for ONS staff (para 3.9).
- Suggestion 3** Research and publish reports on data quality issues relating to these statistics on a regular basis (para 3.15).
- Suggestion 4** Include information on key recommendations from recent reviews and quality improvements for each business survey in the ONS Simplification Plan for future years (para 3.19).
- Suggestion 5** Develop a new home page on ONS's website for BoP statistics (para 3.24).
- Suggestion 6** Extend the contextual information that aids the interpretation of the statistics published in the *Pink Book* and *Balance of Payments Quarterly Bulletin* (para 3.26).
- Suggestion 7** Implement recent presentational changes made to *UK Trade Monthly Bulletin* to the other releases in this assessment (para 3.28).
- Suggestion 8** Explain the use of the specific codes for each data series in all publications of these statistics and provide a link to the Time Series Data service (para 3.29).
- Suggestion 9** Take steps to ensure appropriate standards are observed in the web-dissemination of these statistics (para 3.30).
- Suggestion 10** Ensure the team is made aware of changes to HMRC's administrative systems which may have implications for these statistics (para 3.37).

## **Annex 2: Summary of assessment process and users' views**

A2.1 This assessment was conducted from January to May 2010.

A2.2 The Assessment team – Neil Jackson, Catherine Barham and Ed Swires-Hennessy – agreed the scope of and timetable for this assessment with representatives of ONS in January. The Written Evidence for Assessment was provided in February. The Assessment team subsequently met with ONS during March to review compliance with the Code of Practice, taking account of the written evidence provided and other relevant sources of evidence.

### **Summary of users contacted, and issues raised**

A2.3 Part of the assessment process involves our consideration of the views of users. We approach some known and potential users of the set of statistics, and we invite comments via an open note on the Authority's website. This process is not a statistical survey, but it enables us to gain some insights about the extent to which the statistics meet users' needs and the extent to which users feel that the producers of those statistics engage with them. We are aware that responses from users may not be representative of wider views, and we take account of this in the way that we prepare assessment reports.

A2.4 The Assessment team received 14 responses from the user consultation. The respondents were grouped as follows:

Central government	9
Data supplier	2
Other	3

A2.5 Users generally found the statistics of good quality and the producers approachable and helpful. Some users commented that they would like additional detail to be presented in the outputs and others mentioned that some of the background material is complex and technical for the non-expert user.

### **Key documents/links provided**

Written Evidence for Assessment document

