

Assessment of compliance with the Code of Practice for Official Statistics

Environmental Accounts

*(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 AND DESIGNATION

The *Statistics and Registration Service Act 2007* gives the UK Statistics Authority a statutory power to assess sets of statistics against the *Code of Practice for Official Statistics*. Assessment will determine whether it is appropriate for the statistics to be designated as National Statistics.

Designation as National Statistics means that the statistics comply with the *Code of Practice*. The *Code* is wide-ranging. Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Designation as National Statistics should not be interpreted to mean that the statistics are always correct. For example, whilst the *Code* requires statistics to be produced to a level of accuracy that meets users' needs, it also recognises that errors can occur – in which case it requires them to be corrected and publicised.

Assessment Reports will not normally comment further on a set of statistics, for example on their validity as social or economic measures. However, Reports may point to such questions if the Authority believes that further research would be desirable.

Assessment Reports typically provide an overview of any noteworthy features of the methods used to produce the statistics, and will highlight substantial concerns about quality. Assessment Reports also describe aspects of the ways in which the producer addresses the 'sound methods and assured quality' principle of the *Code*, but do not themselves constitute a review of the methods used to produce the statistics. However the *Code* requires producers to "seek to achieve continuous improvement in statistical processes by, for example, undertaking regular reviews".

The Authority may grant designation on condition that the producer body takes steps, within a stated timeframe, to fully meet the *Code's* requirements. This is to avoid public confusion and does not reduce the obligation to comply with the *Code*.

The Authority grants designation on the basis of three main sources of information:

- i. factual evidence and assurances by senior statisticians in the producer body;
- ii. the views of users who we contact, or who contact us, and;
- iii. our own review activity.

Should further information come to light subsequently which changes the Authority's analysis, it may withdraw the Assessment Report and revise it as necessary.

It is a statutory requirement on the producer body to ensure that it continues to produce the set of statistics designated as National Statistics 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 reports¹ prepared under the provisions of the *Statistics and Registration Service Act 2007*². The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*³. The report covers the statistics⁴ reported in *Environmental Accounts* and *Environmental Accounts Statistical Bulletin*, produced by the Office for National Statistics (ONS). All are National Statistics, except the statistics on environmental protection expenditure in specified industries, which are published in *Environmental Accounts* as official statistics.

1.1.2 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 judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest, subject to any points for action in this report. The Statistics Authority confirms that the statistics detailed in paragraph 1.1.1 are designated as National Statistics, subject to ONS implementing the enhancements listed in section 1.5 and reporting them to the Authority by December 2011.

1.3 Summary of strengths and weaknesses

1.3.1 The Environmental Accounts that ONS produces for the UK are well-regarded internationally. In 2008, a report⁵ by the Statistical Programme Committee of Eurostat included the UK as one of only six EU Member States that compile statistics for three core areas of the Environmental Accounts on a regular basis. ONS has contributed to the development of the UN System of Environmental-Economic Accounting. The publication of the Environmental Accounts alongside the National Accounts in the *Blue Book* is at the forefront of international best practice.

1.3.2 ONS has good engagement with some key users of the Environmental Accounts, although this is limited to government departments. ONS only received three responses to a consultation⁶ about the Environmental Accounts that it carried out in summer 2010. The Environmental Accounts have been

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

² http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

³ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

⁴ <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=3698&Pos=1&ColRank=1&Rank=272>

⁵ http://epp.eurostat.ec.europa.eu/portal/page/portal/environmental_accounts/documents/ESEA_REVISION_2008_0.pdf

⁶ <http://www.ons.gov.uk/about/consultations/closed-consultations/consultation-on-the-strategy-for-the-uk-environmental-accounts/index.html>

incorporated into ONS's Measuring National Well-being Programme⁷ and this has provided a highly visible platform from which to promote the Environmental Accounts. Through the Measuring National Well-being Programme, ONS has started to identify and engage with a broader range of users from both the public and private sectors.

1.3.3 There is little information available about the quality of the Environmental Accounts, particularly regarding their strengths and weaknesses in relation to the uses to which they are put. Access to these statistics on ONS's website is cumbersome. The website allows additional tables to be downloaded, which facilitates the re-use and further analysis of the data.

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

Requirement 1	Publish plans to strengthen engagement with users and to document users' experiences of the Environmental Accounts (para 3.4).
Requirement 2	Ensure that announcements about changes to methods or classifications for the Environmental Accounts are accessible to users (para 3.6).
Requirement 3	Provide more systematic information about the data sources for the Environmental Accounts and provide clear references to where further information can be found about these sources and how the source statistics have been produced. As part of meeting this Requirement, ONS should publish information about how statistics on atmospheric emissions have been produced (para 3.9).
Requirement 4	Publish a plan to develop improved information for users about the strengths and limitations of these statistics in relation to their uses (para 3.11).
Requirement 5	(a) Consult users to establish the nature of user needs for statistics on environmental protection expenditure;

⁷ <http://www.ons.gov.uk/well-being>

(b) Ensure that statistics on environmental protection expenditure by the public sector are produced to a level of quality that meets user needs; and

(c) Review the way in which these and other statistics on environmental protection expenditure are presented in *Environmental Accounts* to ensure clarity, interpretability and consistency (para 3.14).

Requirement 6

Improve the presentation of these statistics and the accompanying commentary and analysis, to aid user interpretation (para 3.22).

Requirement 7

Review the Environmental Accounts web pages in order to provide more straightforward access to information about these statistics (para 3.23).

2 Subject of the assessment

- 2.1 The Environmental Accounts provide a framework for organising information about natural resources in order to study the relationship between the economy and the environment. They provide information about the demands that UK economic activity makes on the environment and on the importance of natural resources to the UK economy.
- 2.2 The statistics are released through *Environmental Accounts*, which has been published twice a year since 2003. Following a consultation with users in summer 2010, *Environmental Accounts* will become an annual publication from June 2011. The publication includes news on the latest developments about Environmental Accounts in the UK and internationally, a summary of revisions and planned revisions, and a methodology guide. ONS publishes *Environment Accounts Statistical Bulletin* on the same day that it publishes *Environmental Accounts*. This statistical bulletin provides an overview of the detailed publication and highlights particular features of the latest published statistics.
- 2.3 The Environmental Accounts are satellite accounts to the UK National Accounts, which were the subject of an earlier Assessment Report⁸. Satellite Accounts are extensions to the National Accounts which facilitate analysis of the wider impact of economic change. The Environmental Accounts use the same concepts and classifications of industries to those employed in the National Accounts. Since 1999 ONS has published a chapter on Environmental Accounts in the *Blue Book*⁹ with commentary and supporting explanatory notes. Statistics on the Source of Greenhouse Gas Emissions by selected UK Sector are also published in *Social Trends*¹⁰.
- 2.4 The Environmental Accounts are used to inform sustainable development policy, and to develop and monitor policies that aim to make more efficient use of energy and materials in economic activity. They provide information about the UK's stocks of natural resources, which provides a starting point for considering whether these stocks are approaching critical levels that will impact on the wellbeing of future generations. The Environmental Accounts was one of the data sources used by the UK National Ecosystems Assessment¹¹ to produce an analysis of the UK's natural environment in terms of the benefits it provides to society. The Department for Environment, Food and Rural Affairs (Defra) uses the Environmental Accounts in the production of the *Sustainable development indicators*¹² that it publishes. The Environmental Accounts are used to model the environmental impacts of fiscal measures. They provide a means of monitoring the commitment made by the government in its document *The Coalition: our programme for government*¹³ to increase the proportion of tax revenue accounted for by environmental taxes. The Environmental Accounts can also be used to evaluate the environmental performance of

⁸ <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/assessment-report-100---uk-annual-and-quarterly-national-accounts.pdf>

⁹ <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1143&Pos=&ColRank=1&Rank=272>

¹⁰ http://www.statistics.gov.uk/downloads/theme_social/Social-Trends40/ST40_Ch11.pdf

¹¹ <http://uknea.unep-wcmc.org/>

¹² <http://sd.defra.gov.uk/progress/national/annual-review/>

¹³ <http://www.cabinetoffice.gov.uk/news/coalition-documents>

different industrial sectors. They provide information about the contribution of the 'low carbon' sector to the economy and can be used, for example, as a basis for developing a measure of 'green' jobs.

- 2.5 The Environmental Accounts follow the principles laid out in the UN System of Environmental-Economic Accounting¹⁴ (SEEA). An interim version of the SEEA was first published by the UN in 1993, and a revised version was published in 2003. ONS is represented on the London Group on Environmental Accounting, which has contributed to the development of SEEA. The London Group is an informal group of experts created in 1993 to allow practitioners to share their experience of developing and implementing environmental accounts. SEEA is expected to be elevated to an international statistical standard for environmental-economic accounting in 2012. This will provide an internationally agreed set of recommendations that will allow international comparability of environmental-economic accounts.
- 2.6 The EU is expected to publish European regulations¹⁵ for Environmental Economic Accounts in 2012, which Member States would be legally obliged to comply with. These regulations are expected to encompass three modules: air emissions, environmental taxes and material flow accounts, which the UK already produces on a voluntary basis.
- 2.7 Most of the statistics published in the Environmental Accounts are based on official statistics that have already been published elsewhere. Presenting these statistics within the Environmental Accounts framework adds value by linking environmental statistics to economic statistics. It also allows the statistics for the UK to be compared with other countries.
- 2.8 The information presented in the Environmental Accounts has been separated into three dimensions, covering natural resource accounts, physical flow accounts and monetary accounts. The main areas covered under each dimension are as follows:

Natural resource accounts

- Oil and gas reserves, providing measures in both physical and monetary terms. Data for these accounts are sourced from the Department of Energy and Climate Change¹⁶ (DECC).
- Landcover, reporting on the amount and condition of habitats and landscapes in Great Britain. Data for this account are sourced from the Countryside Survey¹⁷ which is funded by a partnership of government funded bodies¹⁸. The partnership is led by the Natural Environment Research Council and Defra.

¹⁴ <http://unstats.un.org/unsd/envaccounting/seearev/>

¹⁵ <http://www.europarl.europa.eu/oeil/file.jsp?id=5850442>

¹⁶ https://www.og.decc.gov.uk/information/bb_updates/chapters/reserves_index.htm

¹⁷ <http://www.countrysidesurvey.org.uk>

¹⁸ <http://www.countrysidesurvey.org.uk/about/partners-and-people>

Physical flows

- Atmospheric emissions, providing estimates of pollutants directly emitted to the atmosphere by industrial sector, including emissions of greenhouse gases and acid rain. The data for this account are produced on ONS's behalf by AEA¹⁹, an energy and climate change consultancy, based on the UK National Atmospheric Emissions Inventory²⁰ (NAEI).
- Energy consumption, showing energy and fossil fuel consumption by industrial sectors. The data for this account are produced on ONS's behalf by AEA, again based on the NAEI.
- Material flows, providing information about the total mass of natural resources and products that are used by the economy. This account is compiled using data published by the Geological Society, the Food and Agriculture Organisation of the United Nations and HM Revenue and Customs.
- Water resource use, showing amounts of groundwater and non-tidal surface water used by UK industries.
- Waste, estimating the total waste arising in the UK, including information on radioactive waste.

Monetary accounts

- Environmental taxes, which show the level of revenue raised in environmental taxes in the UK, broken down by 13 different industries. ONS published information about these statistics in an article *UK environmental taxes: classification and recent trends*²¹.
- Environmental protection expenditure, which is defined as expenditure on activities that are aimed at the prevention, reduction and elimination of pollution as well as other degradation to the environment. The statistics on expenditure in specified industries have never been published as National Statistics and so they are outside the scope of the current assessment.

2.9 In November 2010, ONS launched a new Measuring National Well-being Programme to develop new measures of national well-being. This will include the development of new measures of the environment and of sustainability, which will be produced as part of an enhanced set of Environmental Accounts. ONS expects the Measuring National Well-being Programme to generate additional users for (and uses of) the Environmental Accounts.

2.10 ONS's priorities for the Environmental Accounts include the development of improved measures of the Environmental Goods and Services Sector (EGSS). ONS also plans to carry out reviews of each of the main sets of statistics that are published in *Environmental Accounts*. ONS has suspended publication of the fish stock accounts, the water accounts and the radioactive waste accounts until the reviews of these accounts have been completed.

¹⁹ <http://www.aeat.co.uk/cms/>

²⁰ <http://naei.defra.gov.uk/>

²¹ <http://www.statistics.gov.uk/cci/article.asp?ID=1650&Pos=5&ColRank=1&Rank=1>

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 engages with users of these statistics in Defra, Department for Transport and DECC mainly through ad hoc bilateral meetings. These departments had previously indicated that this was their preferred means of engaging with ONS on these statistics. Until recently, ONS had less engagement with other users of these statistics. After the Environmental Accounts were incorporated into the Measuring National Well-being Programme in 2010, ONS took some steps to strengthen its engagement with other users of these statistics. ONS has provided presentations about the Environmental Accounts to the Royal Statistical Society, Business in the Community and the Government Economic Service. ONS also consulted users via the Statistics User Forum²² about the UN's plans to elevate SEEA to an international statistical standard.
- 3.2 In summer 2010, ONS ran a three month open consultation on a proposed programme of work to develop the Environmental Accounts, taking account of user needs and the limited resources available for such work. ONS subsequently published²³ a summary of the feedback it received in response to the consultation along with information about how it planned to take that feedback into account.
- 3.3 The consultation document included some documentation about the main uses that are made of the Environmental Accounts. ONS has also published a note²⁴ on its website that provides information about the current and potential uses of these statistics in more detail. ONS has not published information about users' experiences of the Environmental Accounts.
- 3.4 ONS received only three responses to the 2010 consultation. ONS told us that it recognises that it needs to establish regular and formal engagement with users of these statistics. ONS has recently established a project board to oversee the development of the Environmental Accounts and the project board has approved plans to establish an Environmental Accounts stakeholder group. As part of the designation as National Statistics, ONS should publish plans to strengthen engagement with users and to document users' experiences of the Environmental Accounts²⁵ (Requirement 1).

²² <http://sufenews.org.uk/articles/20101008>

²³ <http://www.ons.gov.uk/about/consultations/closed-consultations/consultation-on-the-strategy-for-the-uk-environmental-accounts/summary-of-responses-to-strategy-for-the-uk-environmental-accounts.pdf>

²⁴

http://www.statistics.gov.uk/about/methodology_by_theme/environmental_accounts/downloads/eauses.pdf

²⁵ In relation to Principle 1, Practices 1 and 5 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 publishes these statistics in an orderly manner and presents the statistics impartially and objectively. The statistics are available free of charge on ONS's website and via the National Statistics Publication Hub. ONS does not grant pre-release access to these statistics.
- 3.6 The classifications used for these statistics have not changed in recent years. ONS publishes articles in *Economic and Labour Market Review*²⁶ (ELMR) to announce changes to the methods used to produce these statistics. It can be difficult to find these articles on ONS's website, and *Environmental Accounts* does not provide links to where these articles can be found. As part of the designation as National Statistics, ONS should ensure that announcements about changes to methods or classifications for the Environmental Accounts are accessible to users²⁷ (Requirement 2). The accessibility of information published in *ELMR* is considered further under Principle 8 (see paragraph 3.23).
- 3.7 Revisions are made to these statistics as part of the regular annual publication process. *Environmental Accounts* provides information about all revisions that have been made since the previous publication. ONS told us that should an error occur, the statistical team would follow ONS's procedures to correct them.

²⁶ <http://www.statistics.gov.uk/elmr/>

²⁷ In relation to Principle 2 Practice 4 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.

- 3.8 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.

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.

- 3.9 *Environmental Accounts* includes methodological notes which provide information about how the statistics have been produced and links to other relevant websites. The same information²⁸ can also be found on ONS's website. Most of the *Environmental Accounts* are based on official statistics that have already been published elsewhere. There is scope for ONS to provide more systematic information about the data sources that have been used to produce the *Environmental Accounts*. It could also provide better references to where further information can be found about these data sources, and about how they have been produced. ONS only publishes limited information about the methods used to produce statistics on atmospheric emissions. These statistics are provided to ONS by a contractor who considers the detailed information about the methods used to be commercially sensitive. Users who contacted us in response to this assessment said that they wanted more detailed information about the methods used to produce these statistics. ONS has subsequently agreed with the contractor to address this for users in the June 2011 publication. As part of the designation as National Statistics, ONS should provide more systematic information about the data sources for the *Environmental Accounts* and provide clear references to where further information can be found about these sources and how the source statistics have been produced. As part of meeting this Requirement, ONS should publish information about how statistics on atmospheric emissions have been produced²⁹ (Requirement 3).
- 3.10 *Environmental Accounts* explains how the energy and air emissions statistics differ from related statistics published by DECC in the *Digest of UK Energy Statistics*³⁰. *Environmental Accounts* also includes tables, referred to as bridging tables, which provide a transparent reconciliation of the differences between the energy and air emissions statistics.
- 3.11 ONS has published four Summary Quality Reports³¹ for the *Environmental Accounts*, covering air emissions, energy, environmental taxes and material flows. These reports present information about the different dimensions of quality promulgated by the European Statistical System³². The Summary Quality Reports state that it is often difficult to provide information about the accuracy of the *Environmental Accounts*. Instead, it presents information about the extent to which the statistics have been revised, which provides only a partial indication of the reliability of the published statistics. ONS provides little information about the strengths and limitations of these statistics in relation to

²⁸ http://www.statistics.gov.uk/about/methodology_by_theme/Environmental_Accounts/default.asp

²⁹ In relation to Principle 4, Practice 1 of the *Code of Practice*

³⁰ <http://www.decc.gov.uk/en/content/cms/statistics/publications/dukes/dukes.aspx>

³¹ <http://www.ons.gov.uk/about-statistics/methodology-and-quality/quality/qual-info-economic-social-and-bus-stats/quality-reports-for-economic-statistics/index.html>

³² http://epp.eurostat.ec.europa.eu/portal/page/portal/about_eurostat/european_framework/ESS

their potential uses. As part of the designation as National Statistics, ONS should publish a plan to develop improved information for users about the strengths and limitations of these statistics in relation to their uses³³ (Requirement 4).

- 3.12 *Environmental Accounts* presents statistics on environmental protection expenditure by the public sector and in specified industries. The statistics on public sector expenditure are derived from the Public Expenditure Statistical Analysis³⁴ (PESA) database produced by HM Treasury. The data source was discontinued in 2005 and so the statistics are only published up until 2004. ONS told us that it has started a review of statistics on environmental protection expenditure by the public sector.
- 3.13 The statistics on environmental protection expenditure in specified industries are supplied to ONS by Defra. Defra publishes³⁵ these statistics as official statistics to meet a European Union regulation³⁶. *Environmental Accounts* states that these statistics should be regarded as approximate orders of magnitude only, and that because of this qualification, the estimates shown fall outside the scope of National Statistics. ONS told us that it has resisted giving high priority to the development of these statistics until the user requirement has been more clearly established. ONS also told us that Eurostat is expected to develop proposals for EU Member States to deliver full environmental protection expenditure accounts.
- 3.14 *Environmental Accounts* draws attention to limitations in the quality of the statistics on environmental protection expenditure in the section on methodological notes, although these limitations are not highlighted in the main body of the report where the statistics are presented. The methodological notes also explain that the expenditure statistics for the public sector and for specified industries should not be added together as different classification procedures make comparisons problematic. We think the presentation in *Environmental Accounts* of out-of-date statistics on public sector expenditure alongside more recent expenditure statistics for specified industries that have been produced on a different, non-comparable basis, is confusing and unhelpful. As part of the designation as National Statistics, ONS should (a) consult users to establish the nature of user needs for statistics on environmental protection expenditure; (b) ensure that statistics on environmental protection expenditure by the public sector are produced to a level of quality that meets user needs; and (c) review the way in which these and other statistics on environmental protection expenditure are presented in *Environmental Accounts* to ensure clarity, interpretability and consistency³⁷ (Requirement 5).
- 3.15 The Environmental Accounts follow the principles laid out in SEEA and meet all the reporting requirements of the EU. ONS told us that the Environmental Accounts are evolving internationally and no country covers all aspects of the accounts. While the UK deviates in relation to the SEEA in terms of completeness, the Environmental Accounts are well-regarded internationally and ONS has played a prominent role in the development of international

³³ In relation to Principle 4, Practice 2 of the *Code of Practice*

³⁴ http://www.hm-treasury.gov.uk/pespub_index.htm

³⁵ <http://www.defra.gov.uk/statistics/environmental-survey/>

³⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997R0058:EN:HTML>

³⁷ In relation to Principle 4, Practice 2 of the *Code of Practice*

guidelines and standards. In 2008, a report³⁸ by the Statistical Programme Committee of Eurostat included the UK as one of only six EU Member States that compile statistics for three core areas of the Environmental Accounts on a regular basis. *Environmental Accounts* does not provide any information about how the UK compares with other countries. We suggest that ONS provide more information about how the Environmental Accounts compare with other countries.

³⁸http://epp.eurostat.ec.europa.eu/portal/page/portal/environmental_accounts/documents/ESEA_REVISION_2008_0.pdf

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.

3.16 Most of the data that ONS receives for the Environmental Accounts are already published as official statistics and are not confidential. The data for the air emissions account are supplied by AEA, through a contract that it has with DECC (formerly Defra). In a very limited number of cases, the contractor has specified that the reported data should be treated as confidential, and ONS suppressed these data in line with its statistical disclosure policy. ONS told us that these arrangements were not so restrictive as to limit the practical utility of these statistics.

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.

- 3.17 Most of the data that ONS receives for the Environmental Accounts are already published as official statistics. ONS told us that the burden on suppliers for providing data is negligible.
- 3.18 ONS informed us that as the number of accounts covered by the EU Regulation increases, so the burden on data suppliers may increase. For example, available data sources may not be sufficient for the production of EGSS (see paragraph 2.10) accounts and a survey may have to be conducted to bridge this gap. ONS told us that it would carry out a formal assessment of the burden on data suppliers as part of the process for meeting new EU regulations.

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.

- 3.19 ONS estimates that it cost around £140,000 to produce these statistics in 2010/11. This includes the cost of two permanent members of staff, part-time clerical support and contract costs relating to the provision of data from the National Air Emissions Inventory, which is procured by DECC. ONS has recently decided to increase the resources available to produce the Environmental Accounts to meet the additional demands relating to the needs of the Measuring National Well-being Programme. The team will now expand to five members, and will include an assistant economist and a research officer. ONS told us that this should provide sufficient resources to allow it to comply with the Code.
- 3.20 ONS demonstrated effective stewardship of resources allocated to the Environmental Accounts through the 2010 consultation exercise. The consultation document described proposals for reprioritising activities to meet users' needs. As a result of the consultation, *Environmental Accounts* will be published annually (as opposed to twice a year) to allow resources to be diverted to projects more relevant to users' needs. These projects include implementing a move to the Standard Industrial Classification of Economic Activities 2007³⁹, investigating the feasibility of producing the EGSS account, and improving statistics on environmental taxes and environmental protection expenditure.
- 3.21 ONS has a centralised recruitment process to ensure that suitably skilled people are employed to produce these statistics. Appropriate competence frameworks are in place and ONS supports staff in developing their skills.

³⁹ <http://www.statistics.gov.uk/statbase/product.asp?vlnk=14012>

Principle 8: Frankness and accessibility

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

- 3.22 Each chapter in *Environmental Accounts* provides some commentary and explanation about the statistics, although there are ways in which this could be improved. The commentary provides little information about the statistics in relation to the uses to which they are put. In some cases, the commentary could provide additional contextual information about the statistics. Some of the trends presented in the charts would benefit from additional explanation, for example, why the volume measure of oil reserves has fallen in recent years, while the monetary value of these reserves has increased. Some of the statistics are presented only for the latest year, for example, waste statistics. ONS provides charts to illustrate particular features of the statistics. There is scope to improve the presentation and labelling of some of these charts. As part of the designation as National Statistics, ONS should improve the presentation of these statistics and the accompanying commentary and analysis, to aid user interpretation⁴⁰ (Requirement 6).
- 3.23 ONS's website has a landing page for these statistics⁴¹ from which users can access the statistical releases, data and other information about the statistics. ONS provides access to 47 supporting datasets for the Environmental Accounts that can be accessed from the landing page. The datasets are provided in spreadsheet format which facilitates the analysis and re-use of these data. There is a separate landing page, *Focus on Environmental Accounts*⁴², which outlines the role of the Environmental Accounts, presents a summary of the key indicators and provides links to where more detailed information can be found. These different access points can confuse users about the most suitable place to find information about these statistics. Neither of these landing pages provide links to articles relevant to the Environmental Accounts that are published in *ELMR*. As part of the designation as National Statistics, ONS should review the Environmental Accounts web pages in order to provide more straightforward access to information about these statistics⁴³ (Requirement 7).

⁴⁰ In relation to Principle 8, Practice 2 of the *Code of Practice*

⁴¹ <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=3698&Pos=1&ColRank=1&Rank=272>

⁴² <http://www.statistics.gov.uk/focuson/environmental/>

⁴³ In relation to Principle 8, Practice 4 of the *Code of Practice*

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.

3.24 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.

- 3.25 The *Code* requires National Statistics releases to be issued at 9.30 am 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 9.30 am. ONS informed us that this matter was being reviewed as part of its web development programme, and that it expected its new website to be implemented on 30 April 2011. The Head of Assessment agreed an exemption from Protocol 2 Practice 4 for ONS until that date. The exemption request, and the Head of Assessment's response are available on the Statistics Authority's website⁴⁴. Subsequently, ONS has announced that it does not expect to be able to comply with this practice until the end of August 2011⁴⁵. The Assessment team has asked ONS to submit a report describing the nature of the breach of the *Code* from 1 May 2011, and to log and report to the Authority details about delayed releases.
- 3.26 One user who contacted us in response to this assessment voiced concern about the timeliness of the publication of statistics on material flows in *Environmental Accounts* as the move to an annual publication will mean that the statistics will no longer be published as soon as they are available. ONS is investigating the feasibility of publishing a new Statistical Bulletin to update the statistics on material flows as soon as they are available in advance of the *Environmental Accounts* publication. We suggest ONS consult with users regarding the timely provision of statistics on material flows.

⁴⁴ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/exemption-requests/index.html>

⁴⁵ <http://www.ons.gov.uk/about/what-we-do/programmes-projects/web-development/index.html>

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.

- 3.27 The administrative sources used in the compilation of the Environmental Accounts are detailed in the Statement of Administrative Sources⁴⁶ published on ONS's website.
- 3.28 The handbooks and manuals produced by Eurostat⁴⁷, followed by ONS, advocate the use of administrative data or statistics already produced for the compilation of the Environmental Accounts. ONS has identified a range of potential sources for use in the production of the EGSS account. ONS is undertaking a feasibility study to assess the appropriateness and quality of these sources.

⁴⁶ <http://www.ons.gov.uk/about-statistics/ns-standard/cop/statement-of-administrative-sources/index.html>

⁴⁷ http://epp.eurostat.ec.europa.eu/portal/page/portal/environmental_accounts/methodology/manuals

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to ONS's Environmental Accounts, 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

Provide more information about how the Environmental Accounts compare with other countries (para 3.15).

Suggestion 2

Consult with users regarding the timely provision of statistics on material flows (para 3.26).

Annex 2: Summary of assessment process and users' views

- A2.1 This assessment was conducted from January to May 2011.
- A2.2 The Assessment team – Neil Jackson and Rachel Beardsmore – agreed the scope of and timetable for this assessment with representatives of ONS in January 2011. The Written Evidence for Assessment was provided on 17 February. The Assessment team subsequently met 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 7 responses from the user consultation. The respondents were grouped as follows:

ONS	3
Central government	2
Other	2

A2.5 The Environmental Accounts are published in a number of ONS publications including *Social Trends* and the *United Kingdom National Accounts; The Blue Book*. The Accounts are used by other government departments to set and monitor targets and to help develop policies on resource efficiency, sustainability and consumer emissions. Other uses include monitoring government tax policies and the development of EU policies.

A2.6 Users were generally satisfied with the Environmental Accounts and there was recognition that ONS is working to develop and expand the range of the accounts. In particular, ongoing work to develop the Environmental Goods and Services Sector (EGSS) was encouraged. One user stated that the environmental tax figures would be more useful if published in more detail and more regularly, whilst another stated that more detail would be desirable, but recognised the barriers to this.

A2.7 Some users stated that they would like to have more detailed methodological information for a variety of accounts. In particular one user highlighted difficulties in accessing methodology documents for the atmospheric emissions accounts as they are produced under contract and the methodology is classed as 'Restricted Commercial' by the contractor. One user voiced concern that the change from a six-monthly publication to an annual publication means that some accounts are not as timely as they once were.

A2.8 All users were satisfied with the level of engagement they have with ONS. One user would have preferred a more formal say in the development programme but recognised that resources were constrained. The team were described as 'prompt and informative', 'efficient and friendly', and 'helpful'.

Key documents/links provided

Written Evidence for Assessment document

