
Ed Humpherson, Director General for Regulation

Tom Orford
Head of Profession for Statistics
HM Treasury
(by email)

19 December 2019

Dear Tom

**CONFIRMATION OF NATIONAL STATISTICS DESIGNATION FOR PUBLIC EXPENDITURE
STATISTICAL ANALYSIS: COUNTRY AND REGIONAL ANALYSIS STATISTICS**

We have reviewed the actions that you and your team have taken to address the requirements in Assessment Report number 343: Public Expenditure Statistical Analysis: Country and Regional Analysis.

On behalf of the Board of the UK Statistics Authority, I am pleased to confirm designation of National Statistics status for HM Treasury's Public Expenditure Statistical Analysis: Country and Regional Analysis (CRA).

During this assessment you and the rest of the statistics team in HM Treasury involved in implementing the enhancements arising from the assessment have shown enthusiasm and commitment to improving the trustworthiness, quality and value of these statistics. We welcome particularly the improvements the team has made to widen the value of these statistics beyond meeting the needs of users beyond policy users alone, and ensuring that all users are at the centre of statistical production. There has been a real effort to present the statistics clearly and provide authoritative insights which we are sure will better serve the public good. We particularly appreciate the efforts that you and senior officials have gone to review the list of recipients of the statistics in their final form ahead of their publication and taken steps to keep this to a minimum. We see this initiative as making a very important contribution towards more equal access to, and the orderly release of, the CRA statistics.

We have included more detail about our judgement in an annex to this letter. I, or my team, would be very happy to talk you or your colleagues through any aspects of this letter or Code compliance more generally.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and value and is something to be celebrated. We were pleased to observe that you included details in the latest issue of the CRA statistics, CRA 2019, of the date that these statistics were first designated as National Statistics and the date of this most recent assessment of the statistics.

Yours sincerely



Ed Humpherson
Director General for Regulation

Annex: Review of actions taken in response to [Assessment Report 343](#) on HM Treasury's (HMT's) Government Spending: Country and Regional Analysis statistics

| Requirement | Actions taken by HM Treasury to meet Requirements | Office for Statistics Regulation's evaluation of evidence in meeting Requirements |
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| <p>Requirement 1</p> <p>HM Treasury should:</p> <p>(i) consider how best to collaborate with producers of other public finance statistics and with analysts in the countries and regions to seek views, update their understanding of users' needs to better support the use of these statistics</p> <p>(ii) communicate effectively with the widest possible audience to increase awareness of the statistics and data</p> | <p>HMT is preparing to release a user consultation in February 2020. HMT intends to use the Country and Regional Analysis (CRA) statistics as a channel to update users on action taken as part of this process.</p> <p>As well as a user consultation HMT is surveying data suppliers to gather feedback, specifically check whether improvements can be made to data supply and whether additional guidance on data supply would be helpful.</p> <p>Alongside these consultations, HMT continues to have a presence at Sector Accounts Local Government (SALG) meetings and at recently introduced Country and Regional Public Sector Finance working groups.</p> <p>HMT statisticians work closely with their press team to ensure wider awareness of the launch of the latest CRA using tools such as Twitter. The statistics team has committed to widening the CRA user base by sending out a link on CRA publication day. The statistics team intends to raise the profile of the CRA through informing the</p> | <p>In respect to part (i):</p> <ul style="list-style-type: none"> HMT is running consultations with both users and with suppliers (many of whom are also users) which is a good way to gather views and update HMT's understanding of both their needs from the data and ways they can make it easier for suppliers to provide the data. <p>In respect to part (ii):</p> <ul style="list-style-type: none"> HMT now participates with others in the sub-national public sector finance working group (organised by the Office for National Statistics (ONS)) which has widened engagement opportunities not only with ONS and devolved statisticians but also the Office of Budget Responsibility, Scottish Fiscal Commission, the Greater London Authority, and ONS's Cities Statistician. |

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| | Parliamentary Scrutiny Unit of its existence. | |
| <p>Requirement 2</p> <p>HMT should:</p> <p>consider how to present CRA data in a more engaging way that supports and promotes use by all types of users and those with interests in spending at programme and service levels (subfunctional levels)</p> | <p>HMT has:</p> <ul style="list-style-type: none"> • Split the release into three parts to make it easier for users to follow: <ol style="list-style-type: none"> 1. Main text (including key tables and new set of maps to enhance usability) 2. Guidance document 3. Full set of tables as Excel spreadsheets • Included within the guidance document new text to explain treatment of non-identifiable spend (for example, treatment of Olympics), definitions of key terms and treatment of EU spend (including Brexit funding). • Set out a work programme for the statistics in the guidance document. • Published a statement on the last National Statistics designation date. • Added links to other publications containing geographical data to the guidance document. • Includes a pivot table within the database containing underlying CRA data, along with notes added to explain how it can be used. • Signposted “Data analysis tools” from the CRA2019 webpage explaining the availability of the interactive table and database. | <p>We consider the new format of the statistical release to be simply laid out, data are categorised well and are listed clearly, which should directly appeal to less-expert users. There is also a bullet point breakdown of the content found in chapters 9 and 10 which improves user understanding of the CRA. The new set of maps make the interpretation of the statistics much easier to interpret.</p> <p>There remain gaps in the CRA statistics where users might struggle to compare public spending across the four nations, as well as in each English region, on high-profile government programmes, for example the Prevent programme and Rough Sleeping Initiative. HMT should establish, from its engagement with users, priorities for presenting comparable programme spend (at least across the four nations) and if official regionalised data for all the English regions and the three devolved nations can be secured in time for each publication, it should take steps to publish them.</p> |

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| <p>Requirement 3</p> <p>HMT should:</p> <p>plan to test the strength of user need for CRA on a 'where benefits' basis, examine the feasibility of collecting data on this basis and the trade-off between enhanced functionality and increased burden on data suppliers</p> | <p>HMT has told us that part of the remit of the user consultation will be to ask users if there is an interest in moving the CRA fully on to a "where benefits" basis. In addition, data suppliers will be asked how convenient providing data on a "where benefits" basis would be. This response addresses the trade-off between functionality and data suppliers as both users and suppliers are considered in the consultation, although the strength of user need for CRA is being tested.</p> | <p>We welcome HMT consulting users and suppliers of CRA data about their needs for analysis on a "where benefits" basis.</p> <p>Following engagement with users, it would be helpful for HMT to be fully transparent about what users say regarding alternative bases, and what it has decided to do in response.</p> |
| <p>Requirement 4</p> <p>HMT should:</p> <p>provide a clear and comprehensive account in each annual CRA publication to allocation methods, including the inclusion of links to published documents about allocation methods in respect to all ongoing major project spending</p> | <p>Since CRA 2018 HMT has produced a report listing methodologies for expenditure lines of £10m or more for the latest outturn year. HMT will maintain this list to incorporate new methodologies and to refine the presentation and content of this report (based on user feedback). For CRA 2019 HMT has committed to include a section within the CRA release on major infrastructure projects (for example HS2). The section aims to include links to relevant papers and to be transparent in explaining the rationale for deciding whether certain spending lines are identifiable or not.</p> | <p>We commend the improved the transparency around decisions regarding identifiable/non-identifiable spending on large programmes. It has also decided on including links to published papers about allocation methods, further improving transparency.</p> |
| <p>Requirement 5</p> <p>As and when information on the effects of Brexit is available, HMT should:</p> <p>ensure that users are provided with appropriate insights about changes</p> | <p>HMT is assisting users in understanding the impacts of Brexit on the CRA data through its guidance document for 2019, published alongside the main text. For example, information on expenditure financed by EU receipts</p> | <p>We are pleased to see HMT provide further guidance to users on the impacts of Brexit on CRA data. This will be assisted by linking users through the annual CRA to available public domain information about impacts of Brexit on public spending in the countries and regions.</p> |

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| <p>in the data. This should include helping users understand impacts on the CRA data and provide links, when applicable, to other output areas where information on Brexit impacts has already been published</p> | <p>is explained, alongside funding for devolved departments and administrations in preparation for the EU exit. The effect on CRA data, tables and spending aggregates (in this case) is then clarified.</p> | |
| <p>Requirement 6 HMT should:</p> <ul style="list-style-type: none"> (i) establish a development programme for these statistics and periodically review that programme (ii) be open about progress towards meeting priorities and objectives (iii) arrange for users and other stakeholders to be involved in prioritising statistical plans | <p>HMT statisticians have published a work programme for the CRA (carrying over commitments stated within the action plan, including feedback from the consultation). In addition, HMT statisticians told us that they will periodically review this work programme, ensuring it remains fit-for-purpose.</p> | <p>HMT has met this Requirement through:</p> <ul style="list-style-type: none"> • seeking feedback from users and other stakeholders (via email) in prioritising statistical plans. • encouraging feedback via forums such as user groups and other regular meetings, which keeps their users engaged and updated on a regular basis. |
| <p>Requirement 7 HMT should:</p> <ul style="list-style-type: none"> (i) strengthen its arrangements for reviewing requests to allow pre-release access to new people (ii) review the current list of those with pre-release access for CRA, with a view to minimising the numbers of individuals included and inform the Authority of the justification for each inclusion | <p>Senior statisticians in HM Treasury have reviewed pre-release access arrangements and ensured access is only granted to the most relevant people. Pre-release access is now more exclusive and efficient, with only essential personnel. There has been a reduction in the PRA list from 44 to 33. Such people are expected to provide responses to questions, make statements about those statistics at, or shortly after, their time of publication, or acting just before, at, or shortly after the time of publication.</p> | <p>HMT has met this Requirement. We welcome HMT:</p> <ul style="list-style-type: none"> • being more rigorous about vetting the pre-release list for these statistics before further privileged access is granted. • reviewing the current list of those with pre-release access for CRA, and acting to minimise the numbers of individuals resulting in a reduction in the list from 44 to 33. • informing the Authority of the justification for each inclusion. |