Office for Statistics Regulation

Assessment of compliance with the Code of Practice for Official Statistics

Statistics on Regional Gross Value Added

(produced by the Office for National Statistics)

Assessment Report 335   August 2017

Office for Statistics Regulation

We provide independent regulation of all official statistics produced in the UK. Statistics are an essential public asset. We aim to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

We do this by setting the standards they must meet in the Code of Practice for Official Statistics. We ensure that producers of government statistics uphold these standards by conducting assessments against the Code. Those which meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. We also report publicly on system-wide issues and on the way statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

Contents

Executive Summary

Subject of the assessment

ES.1   The report covers the assessment of the statistics reported in *Regional Gross Value Added (income approach)*[1] and *Regional Gross Value Added (production approach)*[2] published by the Office for National Statistics (ONS).

ES.2   Regional Gross Value Added (R-GVA) is a measure of the levels and of the growth in those levels of gross value added for nations, regions and sub-regions. R-GVA (income approach) (R-GVA (I)) regionalises GVA using wages and salaries plus information about companies' gross profits using well-established sources (for more information on the data sources, see Annex 2). ONS presents R-GVA (I) at current basic prices, as the methodology does not permit deflation, thus the estimates include the effect of inflation. The UK Statistics Authority (the Authority) has designated these statistics as National Statistics. The Authority last assessed the R-GVA (I) statistics in 2011 and confirmed their National Statistics designation in October 2012[3] .

ES.3   R-GVA (production approach) (R-GVA (P)) is an alternative measure of R-GVA apportioned to regions based on the value of all goods and services produced, less goods and services used up or transformed in the production process, such as raw materials. The methodology to produce R-GVA (P) measures allows the R-GVA statisticians to present real estimates of R-GVA that is with the effect of inflation removed. The R-GVA (P) statistics, published by ONS annually since 2013, are experimental.

ES.4   We are conducting this assessment in two phases:

- In Phase 1 – which this report covers – we assess the compliance with the Code of Practice in respect to ONS's current R-GVA (I) and (P) statistics

- In Phase 2, we plan to assess new ONS Regional GVA statistics called 'balanced estimates'. ONS intends to take the strengths from the two existing methods of measuring regional GVA, to produce in December 2017 new estimates that balance the income and the production measures. Balanced estimates will give users better single measures of economic activity within regions and sub-regions

Public Value Statement

ES.5   R-GVA statistics are an essential part of what makes up the economic intelligence of the nations and regions of the UK, informing debates such as what causes the UK's weak productivity growth and uneven recovery from the financial crisis of the late 2000s. Policymakers need to dive deep beneath the statistical surface to understand the economy region-by-region, city-by-city, town-by-town, industry-by-industry, and household-by-household. The R-GVA statistics make some of these deep dives possible, particularly those using different economic geographies drilling down to very

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[1] ONS's Regional Gross Value Added statistics (income approach)
[2] ONS's Regional Gross Value Added statistics (production approach)
[3] UK Statistics Authority Letter Confirming the National Statistics designation of Regional GVA (income approach)

low levels of geography such as GVA at Local Authority levels in the UK[4] and GVA at Local Enterprise Partnership levels[5].

ES.6   Measures of R-GVA are key inputs for analysts using the statistics in estimates of regional and sub-regional productivity[6]. In addition, R-GVA statistics allow analysis not just at the regional and sub-regional level but also over an extensive back time series.

Decision on National Statistics Status

ES.7   National Statistics (NS) status means that official statistics meet the highest standards of trustworthiness of statistical processes, quality and public value and comply with all aspects of the Code of Practice for Official Statistics. National Statistics status is awarded by the Authority on the advice of the Office for Statistics Regulation. The Office for Statistics Regulation undertakes an assessment, which considers whether the statistics meet the required standard.

ES.8   We judge that the NS designation for R-GVA (I) and R-GVA (P) estimates should be confirmed once ONS has demonstrated to us that it has enhanced the quality and value of these statistics as described in chapters 1 and 2 of this report. We expect ONS to report to us by 31 October 2017 the actions taken to meet the Requirements. There are some Requirements where we consider that more time is needed to effect meaningful evaluation and change, which will necessarily take longer, requiring research, decisions, and planning involving ONS teams beyond the R-GVA statisticians alone. The exceptions to the deadline of 31 October 2017 are for Requirements 2(a) and (b), 3(b) and (c), 6, and 7(a) where the deadline is 31 March 2018 After 31 March 2018 and based on our advice, the Authority will decide whether to:

- confirm the designation of R-GVA (I)
- confer NS designation on R-GVA (P)

ES.9   Reflecting the importance of NS designation, and to provide users with confidence in the direction of travel, we expect ONS to publish its plan of proposed actions to increase public value, quality and the trustworthiness of statistical processes, as a result of this Assessment.

Strategic Perspective

ES.10 The need that users most commonly expressed to us during this assessment has been for more timely regional estimates. The twin consequences of increased devolution of powers to nations and regions and the impact of globalisation[7] mean that the need for up-to-date information has become ever more urgent. ONS is currently developing short-term quarterly regional Gross Domestic Product (GDP)[8] measures for publication in a few years time which are more timely than the annual R-GVA statistics. The combination of quarterly regional GDP measures alongside detailed annual R-GVA statistics will provide users with a more contemporary as well

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[4] ONS Regional GVA by Local Authority Statistics
[5] ONS Regional GVA by Local Enterprise Partnership Statistics
[6] ONS Regional and Sub-Regional in the UK Productivity Statistics
[7] "..*Globalisation impacts upon different parts of national economies so disproportionately that it increasingly leads to substantially wider gaps between regions in the same country. To ignore these is to miss a lot of what is going on.*" Douglas McWilliams The Flat White Economy (2016) pp22
[8] GVA plus taxes less subsidies on products is equivalent to Gross Domestic Product (GDP).

as detailed picture of their devolved national and regional economies than they have today. Policymakers for example want to be aware of potential turning points in their economies quickly and quarterly statistics are better suited to act as 'smoke alarms' than annual statistics published many months after the end of the reference year.

ES.11 ONS's planned development of new balanced estimates (blending the estimates from the income and production methods) later this year will result in better single estimates of R-GVA and allow more detailed analysis of the industries in each economy. Currently only the manufacturing industry is broken down into sectors of that industry, but some regional economies are predominantly service-based. The introduction of HMRC VAT data will bring about GVA analysis at very low levels of geography. These developments are very much central to what users have been asking for and will permit a step change in economic analysis at local levels of economic geography in the UK.

Key findings

Quality

ES.12 ONS compiles R-GVA statistics using the most suitable sources currently available thus allowing the degree of disaggregation into different geographies, sectors and components. ONS's principal data for these statistics come mainly, but not exclusively from NS sources (see Annex 2 for the prime data sources).

ES.13 ONS makes transparent judgements about statistical definitions and methods that are consistent with international good practice standards. Complying with recognised standards means that the estimates are consistent and comparable, maintaining their relevance to policymakers' and other users' questions.

ES.14 ONS's judgements and communications about the strengths and limitations of the estimates contribute significantly to users maintaining an appropriate balance of confidence and caution about the quality of the statistics. ONS statisticians demonstrate to users and stakeholders that the statistics are sufficiently robust and reliable for the principal uses.

Public Value

ES.15 The statistics clearly answer users' important questions. ONS understands the variety of uses and potential uses of statistics but could do more to aid their interpretation within the context of the different regions. ONS has developed and invested in these statistics so they have become more relevant to the changing world in which they are used. ONS compiles the data used to produce these statistics in an efficient way.

ES.16 The source data used have limitations, which can affect the usefulness of the statistics. One example of such limitations is the time it takes to gather source data, which means the R-GVA statistics are not particularly timely. Many of the R-GVA users that we spoke to cited poor timeliness as a limitation of these statistics. We established from ONS that, unless the R-GVA statisticians find new sources that provide the same level of detailed information more quickly than the current sources (which they indicated to us is unlikely in the short term), the timeliness of these statistics is unlikely to change significantly. However, ONS is working on producing quarterly regional GDP statistics for the English Regions that it intends to publish from either late in 2018 or early in 2019. These will be quarterly statistics, published just over three months after the end of the quarter. We support the development of these statistics, which when combined with quarterly indicators in the devolved nations will provide a suite of more-timely economic growth statistics across the UK.

The annual R-GVA statistics that are the subject of this assessment will then add significant detail to the new quarterly indicators. We have sought through our Requirement 1 to mitigate any potential risks to quality from the main administrative data source from HMRC, which the R-GVA statisticians use to inform the regionalisation of a component of regional GVA totals.

ES.17 Context is essential to a good understanding of R-GVA statistics. For example, the narrative in the annual release of these statistics has tended over recent times to present an unchanging picture of the relative shares of GVA between the devolved nations and regions. The same regions tend to have the highest levels of R-GVA and the same devolved nations and regions have the lowest. ONS might do more to bring out the differences between the regions through the proportions of people in the region who are economically inactive,[9] which can affect the GVA per head statistics and the impact of commuting on the statistics. ONS statisticians do not have much scope to delve too deeply into such issues in a statistical bulletin, as there is an understandable focus on the latest results and illustrating to users the different layers of useful information in the latest statistics. However, regional and devolved government analysts often have greater opportunity to present contextual information, which could be published alongside any publication or revision. ONS is encouraged in this report to work with its national and regional stakeholders to bolster the statistical services such as information, advice and guidance available to provide even greater insight in sub-regions (particularly new city-regions) and in preparing contextual information to aid regional and country media in interpreting the statistics.

Trustworthiness

ES.18 Users have a demonstrably high regard for the statisticians' professional and technical skills reflecting confidence in statisticians' good statistical judgement and that their behaviours and actions reflect the public's interest. ONS underpins the production of these statistics by effective and transparent planning, and clear lines of responsibility and accountability for observance of the Code.

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[9] People who are economically inactive are those people who are neither in employment or recorded as unemployed.

Chapter 1: Quality

Introduction

1.1   Statistical quality is multi-faceted. The European Statistical System (ESS) identifies five aspects of quality: 'relevance', 'accuracy and reliability', 'timeliness and punctuality', 'coherence and comparability' and 'accessibility and clarity'. The focus is often on 'accuracy and reliability'. The need for statistics to be relevant, accurate and reliable means, in essence, that we are confident that the patterns shown by the statistics reflect real-world phenomena, and are not artefacts of the way that the statisticians have assembled the statistics.

Findings

Greater assurance of the quality of administrative data

1.2   During the course of the assessment, we agreed with the ONS statisticians that it would be pragmatic and proportionate to apply the Authority's published regulatory standard on the Quality Assurance of Administrative Data[10] to the data supplied by HMRC on income from sole proprietors, which is the principal element in the Mixed Income[11] component of R-GVA (I). The Mixed Income component represents just over five per cent of total UK GVA. The R-GVA statistics team discussed with us their initial judgements about appropriate levels of quality assurance of HMRC's Self-Assessed, Self Employment Income data. They judged, and we agreed, that the source data is of medium public interest profile.

1.3   The R-GVA statisticians initially judged the HMRC source data as posing a low risk of quality concerns. We asked the R-GVA statistics team to review its initial judgement. We had some concerns that the regionalisation of shares of self-assessed income from self-employment was not consistent with some other similar data from HMRC's Survey of Personal Incomes[12] and ONS's Trends in Self Employment in the UK data[13]. ONS told the regulatory team that the self-assessment data that it receives from HMRC are provided under a special arrangement. The published HMRC statistics from the Survey of Personal Incomes present data in a more aggregated form than that supplied to ONS for the R-GVA statistics. The R-GVA Statistics team reviewed its initial assessment raising its assessment of risk to quality from this source data from low to medium. We agreed with this judgement. ONS should plan to conduct enhanced rather than basic assurance of the regionalisation of HMRC's source data on the incomes of sole proprietors.

Better regionalisation of financial and insurance services R-GVA

1.4   We are aware from our research that the regionalisation of the financial and insurance services industry is not as robust as other sectors due to conceptual difficulties in measuring the output[14]. ONS wrote in March 2016[15] that for the sectors 'Other Financial Industries', SIC 2007 sub-divisions 65 and 66, it had identified some

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[10] Office for Statistics Regulation regulatory standard on the Quality Assurance of Administrative Data
[11] Mixed income is the income generated by sole traders (self-employed people not registered as partners). In national accounts their income is considered a mixture of profits and self-paid wages.
[12] HMRC Personal Incomes Statistics
[13] ONS Trends in Self Employment in the UK 2001 to 2015
[14] Measuring financial sector output and its contribution to UK GDP Bank of England Quarterly Bulletin 2011 Q3 by Stephen Burgess
[15] ONS Financial and Insurances Services Review 2016 Part 1 report published 6 September 2016

potential data sources for use in the future, although these were not available for use at that time. ONS also wrote at that time that planned changes to its financial inquiries should in time provide better quality regional data for the insurance industry. The project to introduce VAT turnover data was also cited as being capable of providing good quality estimates for the sector 'Auxiliary Activities'. ONS indicated that as an interim measure, it would use the regional distribution of employees to allocate these industries at both NUTS 1 and 2 levels. Using the regional distribution of employees as a proxy for output is an acceptable but relatively poor method[16]. Our enquiries during this assessment suggest that ONS is still some way off using new financial inquiries to better regionalise GVA. We regret that these data will not be available to inform better analyses such as the impact of Brexit on the financial and insurance services industry in the devolved nations and regions. The R-GVA statistics team in ONS told us that it intends to review the regionalisation of the financial and insurance services industry. We see this as an essential step in improving the quality of these statistics. ONS should review whether new sources or methods will more accurately regionalise the GVA of the Financial Services and Insurance industry and if new data sources or new methods allow, plan to improve the regionalisation of the Financial and Insurances Services industry GVA.

Better deflation of Imputed Rent to improve accuracy

1.5   An important feature and benefit of R-GVA (P) is the presentation of constant price (real) estimates and ONS uses an established method for deflating current price output to a constant series. Imputed rent values make significant differences to the estimates of R-GVA particularly at the lower geographic levels and are a significant component of the statistics representing nearly 10 per cent of the total.

1.6   ONS produced analysis in January 2017[17] of regional and sub-regional productivity, looking at growth over the decade from 2005, and removed rental incomes from the calculation. ONS found that removing rental incomes from the calculations reduces the estimated increases in productivity in London relative to other regions and countries. The productivity index in London with rental income removed only increases from 129.9 to 130.4 over the decade. The same analysis found that in Northern Ireland, the productivity index increases between 2005 and 2015 from 82.4 to 84.9 with rental income excluded (compared with the much smaller increase of 80.0 in 2005 going up to 80.9 in 2015 with rental incomes included).

1.7   As part of the process of bringing the sources and methods for private actual rentals into line with imputed rentals, ONS has announced further improvements to its estimates of imputed rentals to be implemented in Blue Book 2017[18]. ONS will use the Owner Occupiers' Housing component of its CPIH inflation statistics (Consumer Price Inflation including Owner Occupiers' Housing costs) to deflate the current price estimate to produce a chained volume measure of imputed rental. However these improvements are to the national UK calculation of real terms imputed rent, our concerns are about the differences to inflation of imputed rent in the different nations and regions of the UK.

1.8   Median house prices in each region and devolved nation are one of the main elements in calculating imputed rents. Getting the deflated level right for imputed rent in each devolved nation and region makes a noticeable difference to the overall estimates of R-GVA. Without further information on the accuracy of the deflated

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[16] The key indicators for the regionalisation of the Finance and Insurance industry's GVA are employment data from the Business Register & Employment Survey
[17] ONS Regional and sub-regional productivity in the UK published January 2017
[18] Changes to National Accounts: actual rentals and imputed rentals –Article published 16.02.2017

regional imputed rents, there might be a perception of a bias in the R-GVA estimates. The perception maybe an upward bias for regions with higher increases in house prices such as in London, the South East and the East of England and a downward bias in R-GVA for regions with relatively low increases in house prices.

1.9   From our initial analysis, ONS's current established deflation method for the components of R-GVA (P) does not appear to deal effectively with movements in median house prices for the different regions (See Figure 1 below).

Figure 1 Comparison of the Deflators in R-GVA (P) for Real Estate Industry with ONS House Price Index movements for each Devolved Nation and English region 2014 (2013=100)

	R-GVA Deflators for Real Estate industry 2014	ONS House Price Index changes 2014
North East	104.4	102.2
North West	104.5	104.1
Yorkshire and The Humber	104.9	104.4
East Midlands	104.9	105.5
West Midlands	104.6	105.4
East England	104.9	109.6
London	104.2	114.4
South East	105.0	110.6
South West	105.0	106.5
Wales	104.9	105.7
Scotland	104.6	114.6
Northern Ireland	104.3	107.5

Source: ONS Regional GVA (production approach) Data Tables for 2014 and UK House Price Index from the HM Land Registry[19]

1.10   ONS should examine whether the deflation methodology it uses in the R-GVA (P) statistics adequately accounts for differences in price movements between the devolved nations and regions. ONS should review whether the current method for deflating regional estimates of regional imputed rent is robust. If it concludes that the method is not robust, ONS should plan to introduce a better method.

Using revisions analysis as part of improving reliability

1.11   The R-GVA statistics team splits out in *R-GVA (I)* revisions due to national estimates, although it could be clearer that these are mainly due to methods changes in the National Accounts, and revisions due to other regional dataset changes. Revisions due to methods changes in the National Accounts have generally higher levels of change compared to changes to the regional datasets. We acknowledge ONS's good practice in providing information on the causes of revision and in making available

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[19] House Price Index for the UK from HM Land Registry Public Data

data on the latest five years of revisions to R-GVA (I). ONS does not currently present revisions analysis in R-GVA (P) and we found no links to revisions data for R-GVA (P) on the relevant webpages.

1.12 Revisions are an essential part of the process of providing policymakers with the most reliable picture of economic activity available at a point in time. Statistics producers should convey to users that the revisions they make add information rather than confuse by providing random changes in official estimates. ONS could be clearer about whether the revisions to estimates give clear new valuable information. We present an examination of the mean average revisions to growth rates based on ONS data over one, three and five years in Figure 2 below.

Figure 2 Analysis of the mean average revisions to R-GVA (I) growth rates over 1 year, 3 years and 5 years.

Regions	1 year (%)	3 year (%)	5 year (%)
North East	-0.3	-0.3	-0.8
North West	0.4	0.0	-0.3
Yorkshire & Humber	-0.9	-0.2	-0.4
East Midlands	0.5	0.1	-0.2
West Midlands	1.7	0.4	-0.1
East England	0.0	0.4	-0.3
London	0.9	0.0	-0.7
South East	0.7	0.0	-0.5
South West	1.0	0.1	-0.4
Wales	-0.5	0.2	-0.3
Scotland	0.4	0.0	-0.3
Northern Ireland	-0.6	0.0	-0.5
Extra-Regio[20]	-4.4	-1.5	-2.0

Source: ONS Revisions Triangles for R-GVA (I)[21] and the regulatory team's calculations of averages (all to one decimal point)

Table 1: Quality detailed findings and requirements

Finding	Examples	Requirement
Source data for the Mixed Income component of R-GVA (I) poses a medium risk to quality. More effective quality assurance could lead to more	• In 2015, the Statistics Authority concluded "*the lack of robust and timely statistics on income relating to self-employment is a serious shortcoming in official statistics. Without this, the picture of the labour market is only partial, and*	**1** ONS should plan to put in place enhanced quality assurance of the regionalisation of HMRC source data in estimates of regional Mixed Income, by 31 October 2017

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[20] There is a thirteenth region in Regional Accounts (in addition to the 3 Devolved Nations and 9 English regions) known as 'Extra-Regio' which accounts for economic activity that cannot be assigned to any specific region. For the UK this consists mainly of the activities of UK embassies and forces overseas along with the elements relating to activities taking place on the continental shelf.
[21] ONS Revision Triangles for Regional GVA

reliable statistics	*does not reflect the extent of the changing composition of the employment in the UK".*[22]		
The method for regionalising the GVA in the Financial Services and Insurance industry may not be sufficiently robust and may be significantly misallocating R-GVA to the UK's regions and countries	• In 2014, ONS confirmed there were issues in the coverage of financial and insurance services enterprises with regard to the classification of business in this industry[23] • Measured financial services output in the UK almost doubled between 1997 and 2000, but there was barely any growth in that industry's employment. There is speculation that the National Accounts overstated the industry's output [24]	2	ONS should: a) Review whether new data sources or methods will more accurately regionalise Financial Services and Insurance industry GVA, by 31 March 2018 b) If new data sources or new methods allow, plan to improve the regionalisation of Financial and Insurances Services industry GVA, by 31 March 2018
The method for deflating imputed rent may not sufficiently reflect average price movements between the regions resulting in bias in the statistics	• In 2014 ONS's House Price Index[25]displayed a range of values from 102.2 for one region to 114.4 for another while the R-GVA (P) deflators for the real estate industry ranged from 104.2 for the lowest to 105.0 for the highest	3	ONS should: a) Review whether the current method for deflating regional estimates of regional imputed rent is robust, by 31 October 2017 b) Document the impact on R-GVA statistics once this has been established, by 31 March 2018 c) If the review determines that the method is not robust, ONS should

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[22] [UK Statistics Authority report on the Coherence and Accessibility of Statistics on Income and Earnings February 2015](#)
[23] [ONS Financial and Insurances Services Industry review 2016 Part 1 report](#)
[24] Haldane, A, Brennan, S and Madouros, V (2010), 'What is the contribution of the financial sector: miracle or mirage?', Chapter 2 of *The future of finance: the LSE report* *https://harr123et.files.wordpress.com/2010/07/futureoffinance5.pdf*
[25] [ONS House Price Index UK](#)

| | | | plan to introduce a better method which is published and the implementation has begun, by 31 March 2018 |
| ONS could better explain the nature and reasons for the volatility of certain estimates of R-GVA and clarify whether revisions to datasets add valuable new information | • Mean average revisions to West Midlands 2014 R-GVA (I) growth carried out in 2016 reported a downwards revision of 1.7 per cent however over five years revisions averaged downwards by 0.1 per cent. How much should analysts build in to forecasts due to new valuable information?

 • Revisions to Extra-Regio GVA can be volatile and revised markedly | 4 | ONS should:

 a) Publish revisions triangles for R-GVA (P), by 31 October 2017

 b) Better convey whether revisions have provided more news than noise and which estimates display significant volatility, by 31 October 2017 |

Chapter 2: Public value

Introduction

2.1 Value means that the statistics and other information are not just a collection of numbers but provide insight, generating understanding and helping users answer key questions. Official Statistics should serve the public good; without being accessible or timely, statistics fail to add as much public value as they might otherwise.

Users' Perspective

2.2 As part of this assessment, we asked for views about the R-GVA statistics from a variety of users including policymakers, other statisticians in the UK nations and regions, academics, analysts, economists, and think tanks (see Annex 3 for a breakdown of the users we spoke to). We have represented users' and other stakeholders' views throughout the report and took account of them in forming our Requirements.

2.3 Users told us that the R-GVA statistics offer many of the features and benefits they want, such as the statistics:

- break down to established low-level geographies and components
- present reasonably long time series
- are comparable with other European and international cities
- use industries rather than products
- are subject to rigorous quality assurance
- are openly accessible and easily found on ONS's website

2.4 Users told us they found the statistics to be very helpful because they answer their big questions for example:

- how much is this region growing compared to the average or against another region?
- are the shares of economic growth changing in favour of any one or group of regions?
- when the size of a region (in population terms) is taken into account, how does the population compare with the average or any one or group of regions?

2.5 Some users were concerned about apportioning GVA to regions where there is relatively sparse source data about an industry (for example around financial and insurance services) and where the quality of the Business Register data may be questionable. We found users to have been reluctant to adopt the R-GVA (P) measures widely, where they cited their experimental status as putting them off using them. Early indications from users we spoke to about the new Balanced Estimates suggest that a number welcome the prospect of these new estimates. R-GVA (P) statistics are necessary to calculate the Balanced Estimates and ONS intends that the Balanced Estimates will become the main R-GVA statistics. Timeliness of the data is a widespread user concern, although some users expressed their preference for greater industry detail over greater timeliness.

2.6 We talked to a few people who we expected would be users of the statistics but in fact do not use the statistics or have very little use for them. While appreciating and recognising ONS's efforts to the improve UK regional statistics they were sceptical

about the availability and quality of statistics on UK nations, regions and city-regions particularly when compared with many other advanced economies. Some users we spoke to are concerned about the degree to which ONS bases estimates on largely modelled rather than mainly observed data.

Findings

Exploiting local expertise, advice and support

2.7   Our evidence is that local analysts with a good appreciation of the statistics and the economic context in the particular regions within which they work, have used the R-GVA statistics to produce high value analysis alongside co-located ONS statisticians. We saw examples of such collaboration in the Greater London Authority (GLA), which has ONS statisticians working with their analysts. ONS funds those statisticians permanently based with the GLA. Another example of collaboration includes one of the devolved nations where academics have greatly appreciated the assistance of the devolved nation's statistical team and considered themselves further enlightened when analysing R-GVA statistics. We found that R-GVA statistics appeared to be used less widely by analysts and researchers in regions and sub-regions where there appeared to be infrequent engagement with ONS.

2.8   We commend ONS for recognising the importance of collaborations with local analysts and establishing a team within GLA. We are firmly of the view that ONS should examine whether further opportunities exist for even greater use of this initiative with new sub-regions (particularly newly established city-regions such as Manchester).

Providing greater industrial detail

2.9   We noted during the assessment that a number of users told us that they would like greater industry detail for the regions than currently produced. The current level of detail is one-digit Standard Industrial Classification (SIC) 2007[26] level with the exception of manufacturing which goes down to two-digit SIC 2007 level. ONS has confirmed in its Economic Statistics and Analysis Strategy[27] that the new balanced estimates will underpin the dissemination of greater industrial detail for all sectors (two-digit SIC 2007 level) at country, regional (NUTS1) and sub-regional (NUTS2) levels in both nominal and real terms. We commend ONS for its endeavours to meet these users' needs.

Enhancing users' confidence in modelling methods

2.10   ONS bases the apportionment of GVA from the Annual Business Survey[28] (ABS) on the distribution of employment (as recorded on the Inter- Departmental Business Register (IDBR)[29]) amongst local units that belong to each reporting unit[30]. The method makes use of weights derived from a regression model fitted to returns for reporting units to model the GVA of local units. Christopher Allsopp, in his review of the Statistics of Economic Policymaking in 2004[31] concluded:

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[26] UK Standard Industrial Classification 2007
[27] ONS Economic Statistics and Analysis Strategy
[28] ONS Annual Business Survey UK non-financial business economy statistics
[29] ONS Inter-Departmental Business Register (IDBR)
[30] Reporting Units can cover the enterprise as a whole. An enterprise may consist of one or more sub-units (called local units), for example, the head office for a group of shops
[31] Christopher Allsopp's review of the Statistics for Economic Policymaking

- this methodology [for apportionment] appeared to be a significant source of volatility and uncertainty in the estimates of R-GVA

- ONS should, as a matter of priority review the methodology for apportioning reporting unit returns to regions

Some comments made to us during this assessment seem to suggest that concerns about modelling as expressed in the Allsopp Report remain as long-standing concerns.

2.11   The Bean Review of Economic Statistics[32] pointed out that, in principle, statisticians could design better-quality sub-regional estimates by greatly increasing the quantity of information collected at a very fine spatial level. However, this would be costly not only for ONS but also for survey respondents. Survey sample sizes often become too small to provide reliable estimates for small areas. HMRC VAT data can provide near-census information for over 1.8 million businesses where statisticians can deduce their location from their postal address. It has taken ONS considerable time to overcome the data challenges posed in introducing this vast new data source into the national and thereafter the regional accounts. ONS has set the details out in a series of articles since 2014[33] and built systems for its different compiler teams to be able to use the HMRC VAT data. We understand that ONS are due to introduce these data into National Accounts late in 2017 and into Regional Accounts in 2018 or in 2019. ONS aims to make use of these data to apportion estimates down to workplace zones or census output areas, from which users can build their own specified areas. In the meantime, ONS told us that modelling of low-level sub-regional GVA from the data reported by businesses at reporting unit level is the only viable method available.

2.12   Given that some users seek a higher level of confidence in modelled sub-regional GVA estimates, ONS should clearly explain to users the impacts of modelling and imputation on estimates of R-GVA.

Better timeliness

2.13   Many R-GVA users told us that the lack of timeliness of the statistics is a severe limitation. ONS publishes R-GVA (I) around 12 months after the reference period and R-GVA (P) around 24 months after the reference period. The delivery schedules for source data for R-GVA statistics make it very unlikely that ONS can publish R-GVA statistics more quickly than it does currently. However, ONS should continue to investigate with data suppliers whether they can make data available to the same quality more quickly and examine whether more-timely alternative data sources are available. Figures 3 and 4 provide information on the R-GVA (I) and (P) data sources and the date of delivery to the statisticians. For further information on how the date sources are used, please refer to Annex 2 of this report.

Figure 3 R-GVA (I) data sources and delivery dates

Data source	Delivery of data due
Annual Business Survey (ABS)	Mid May
Labour Force Survey (LFS)	Mid June
Annual Survey of Hours and Earnings (ASHE)	Mid August
Business Register and Employment	Mid September

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[32] Sir Charles Bean's Independent Review of Economic Statistics
[33] ONS article on VAT Turnover: research analysis January 2014 to June 2016

Survey (BRES)	
Agricultural Accounts from Department for Environment, Food and Rural Affairs (DEFRA)	Mid October
Defence Analytical Systems and Advice (DASA)	Mid October
Business, Energy and Industrial Strategy Department (BEIS)	Mid October
Self-Assessment income tax data	Early November

Source: ONS R-GVA (I) Quality and Methods Information[34]

Figure 4 R-GVA (P) data sources and delivery dates

Data source	Delivery of data due
Annual Business Survey (ABS)	Mid May
Annual Survey of Hours and Earnings (ASHE)	Mid August
Business Register and Employment Survey (BRES)	Mid September
Labour Force Survey (LFS)	Mid-September
Agricultural Accounts from Department for Environment, Food and Rural Affairs (Defra)	Mid October
Regional estimates of bank and building society fees and commission and Financial Intermediation Services Indirectly Measured (Bank of England)	Late October
Self-Assessment (Pay As You Earn and Self-Assessment) Her Majesty's Revenue and Customs (HMRC)	Early November

Source: ONS R-GVA (Production) Quality and Methods Information[35]

2.14   ONS aims to meet users' needs for quicker estimates of regional economic activity by producing quarterly measures of GDP for each of the nine English regions, GVA plus taxes less subsidies on products is equivalent to Gross Domestic Product (GDP). Some users we spoke to were unaware of ONS's plans to introduce these quarterly estimates. ONS plans to publish these measures just over three months after the relevant quarter. ONS expects the development of the data, methods and compilation systems to take until well into 2018, possibly early 2019 before the first regional quarterly estimates become available. This development goes some way to fulfilling a recommendation of the Allsopp Review of the Statistics of Economic Policymaking which was:

"There should be a measure of annual regional GVA growth, based on short-term inquiries, that is more-timely than the ABI [Annual Business Inquiry] or income-based approaches"

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[34] ONS Regional GVA (Income Approach) Quality and Methods Information
[35] ONS R-GVA (production approach) Quality and Methods Information

2.15   We support the introduction of more timely Regional GDP statistics alongside annual detailed estimates.

Better understanding of the regional and national economic context

2.16   We noted in the January 2017 Regional Accounts Government Users Group (RAGUG) meeting that a stakeholder commented that the December 2016 R-GVA statistics did not receive much media coverage. The R-GVA statistical publications include useful ancillary information such as the future development plans for the statistics and links to other complementary publications. Some users told us that contextual information is valuable to help put the R-GVA statistics in perspective. In a release about regional and devolved nations' economies, it would be difficult for the R-GVA statistics team to provide sufficient context for each region and devolved nation. In some regions and devolved nations, Government users of R-GVA statistics can make supplemental contextual information to aid interpretation of the R-GVA statistics available to the media. Regional media outside London do not have existing bodies to go to for such contextual information.

2.17   Country and regional bodies can often help present a fuller picture for the media and interested parties than the statistical releases alone. For example, the primary narrative about which regions tend to have larger shares of GVA and which tend to have lower shares does not appear to change much year to year but there is little in the publications that help to put the figures into a context to aid interpretation of the relatively unchanging distribution. Recently, ONS has published new experimental statistics on country and regional public sector finances[36] showing the regions with the larger shares (London, the South East and the East of England) with positive net fiscal balances[37] and the other regions with progressively higher negative net fiscal balances. These country and regions public sector finance statistics and other new regional statistics that ONS is developing as part of its Economic Statistics and Analysis strategy present opportunities to provide more context to the R-GVA statistics. Potential exists for ONS to help provide contextual information for regional media. One of the activities of ONS's Sub-National Public Policy team is to provide regional profiles and secondary analysis. ONS should review with R-GVA Government users in the regions and devolved nations what contextual information they want to publish alongside these statistics and establish whether they require any support in preparing such information.

Stakeholder engagement

2.18   During the assessment, we noted ONS's commitment to produce statistics that meet the needs of devolution and we saw a good level of support from the devolved nations for this. ONS coordinates regular forums for users, for example, RAGUG and more recently the Devolved Economic Statistics Coordination Group. We noticed that the discussions at recent RAGUG meetings did not appear to address some views about the statistics that devolved nations' government users expressed to us. The forums offer ONS and the devolved nations' stakeholders, opportunities to review progress towards meeting users' different needs. ONS should review with users in the devolved nations their current development plans for the statistics and how to address better their different needs.

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[36] ONS Country and Regional Public Sector Finance Statistics released May 2017
[37] The net fiscal balance is the difference between government revenues raised or attributed to a region and the government expenditure for the benefit of residents in the region.

Table 2: Value detailed findings and requirements

Finding	Examples	Requirement	
The value of these statistics can be enhanced when advice and assistance of regionally-based ONS statisticians is available to locally-based analysts	• Research from the University of Ulster on Understanding Productivity in Northern Ireland[38] • Research from GLA Economics on regional, sub-regional and local GVA in London[39]	**5**	ONS should examine whether opportunities exist for even greater use of the ONS regional statisticians initiative with newly established sub-regions (particularly new city-regions), by 31 October 2017
ONS can improve confidence in R-GVA estimates by better explaining the impact of modelling and imputation	• A statistics user told us "*people think they are looking at data but it's purely modelled*" • The Allsopp Review suggested that the preparation of case studies of some of the largest enterprises might bolster confidence in the method of allocating the returns of large enterprises according to the observed behaviour of small firms	**6**	ONS should clearly explain to users the impacts of modelling and imputation on estimates of R-GVA, by 31 March 2018
Timeliness of R-GVA estimates matters greatly to users. Presenting quarterly estimates of Regional GDP will enhance the value of these statistics. Some users remain unaware of ONS's plans to publish quicker estimates	• ONS aims to publish Regional Quarterly GDP estimates ~100 days after the end of the quarter compared with annual Regional GVA estimates nearly 12 months after the end of the reference year	**7**	ONS should: a) Demonstrate by 31 March 2018 that the work to produce regional quarterly estimates of GDP remains on track for introduction in late 2018 or early 2019 b) Communicate more widely its plans to make available regional quarterly estimates, by 31 October 2017

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[38] [Understanding Productivity in Northern Ireland from Ulster University's Economic Policy Centre](#)
[39] [Regional, sub-regional and local gross value added estimates for London 1997 to 2014 Gordon Douglass GLA Economics Current Issues # 46 March 2016](#)

| Better regional and national contextual information released alongside the R-GVA statistics can improve interpretation of the statistics | • R-GVA per head influenced by the level of dependent population[40] and commuting patterns, both vary region-to-region | **8** | ONS should explore with Government users what contextual information they want to publish alongside these statistics, by 31 October 2017 |
| Some government users in devolved nations told us that more might be done to address their needs from these statistics | Examples include:
 • adopting better methods of apportionment
 • NUTS 2 level data has limited user appeal
 • reviewing the process of allocating GVA to Extra-Regio | **9** | ONS should review with government users its current development plan for the R-GVA statistics and how to address better their different needs, by 31 October 2017 |

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[40] Defined as that part of the population that does not work and relies on others for the goods and services they consume (such as children and the elderly).

Chapter 3: Trustworthiness

Introduction

3.1   Trustworthiness means that statistics are produced using trusted processes, are free from any vested interest and that they represent the best professional judgement of statisticians acting in accordance with the highest standards.

Findings

3.2   Users reported a high regard for the statisticians' professional and technical skills, reflecting confidence in their good statistical judgement and that their behaviours and actions reflect the public interest. ONS underpins the production of these statistics by effective and transparent planning, and clear lines of responsibility and accountability for observance of the Code.

Annex 1: About the Statistics

The Statistics

A1.1   Regional Gross Value Added (R-GVA) statistics are legally required by the European Union's (EU) statistical office, Eurostat. Estimates are compiled in compliance with the European System of Accounts 2010 (ESA 2010)[41] and are consistent with the standards set out in the United Nations System of National Accounts 1993 (SNA93). This is to ensure that the estimates are directly comparable with the R-GVA of other EU countries through adopting standard methods and classifications.

A1.2   The R-GVA statistics have developed significantly since the Authority first confirmed the National Statistics designation of the statistics calculated using the income approach (R-GVA (I)) in 2012. There have been improvements to the source data, the regionalisation methods, through the R-GVA statistics team producing real-term estimates annually and now being on the cusp – subject to consultation with users – of producing balanced estimates. The estimates are more-timely than they were in 2012, although still not as timely as many users would prefer, and they are produced at many more different levels of economic geography than in 2012. There is also analysis of R-GDP statistics available online from 1968 through to 1996[42]. ONS's current R-GVA (I) series then runs on a consistent basis from 1997 to 2015 and the R-GVA (P) series from 1998 to 2014.

A1.3   When looking at specific industries, differences between the two measures, R-GVA (I) and R-GVA (P) are more apparent. However, at the whole economy level in 2014, the estimates of GVA (I) and GVA (P) were broadly similar across the regions, as can be seen in figure 5 below.

Figure 5: NUTS 1 total industry comparison between R-GVA(I) and R-GVA (P), 2014

Source: Office for National Statistics

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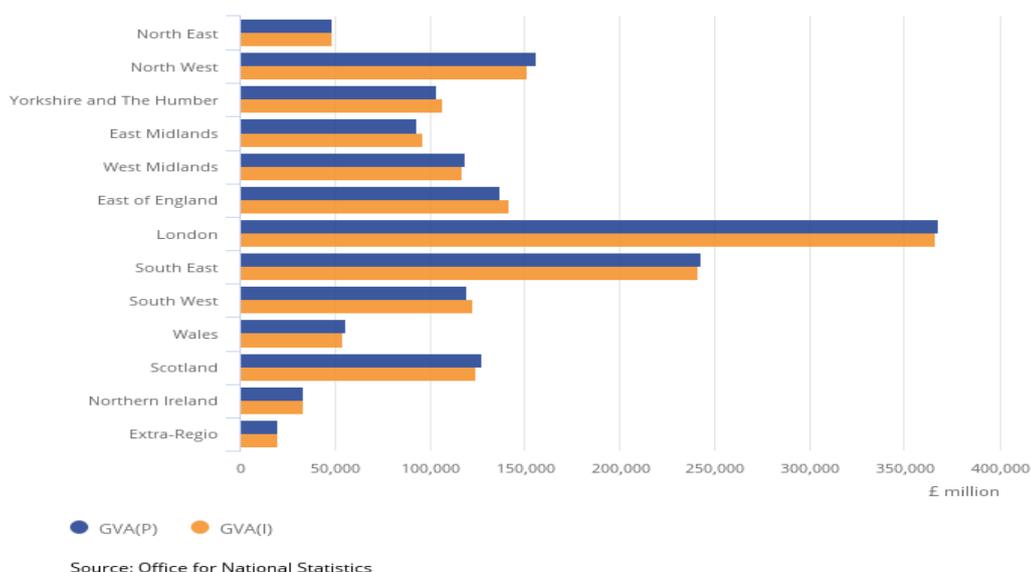
[41] About ESA 2010 standards
[42] ONS Historical Regional GDP 1968 through to 1996

A1.4   Scotland and Wales rely on statistics produced by ONS and other government departments to produce their own estimates of GVA or GDP for their respective nations[43]. They also depend on access to data from statistical surveys conducted by ONS, towards which they sometimes contribute financially in order to increase the sample sizes for their respective nations. This boosting option is available to Local Authorities, but when our colleagues spoke to some of them as part of a Review of the Geography of Economic Statistics[44] they felt the cost to be prohibitive. Local Authorities require estimates of key variables to compare themselves with other authorities and nationally. Since our Review of the Geography of Economic Statistics in 2014, ONS has produced and published GVA data at the Local Authority level, although this is published separately from the annual R-GVA publications.

A1.5   Commentators acknowledge that R-GVA measures are insufficient on their own to measure economic wellbeing. The RSA's Inclusive Growth Commission[45] recently reported that the decision to leave the EU in the Brexit referendum exposes a central problem; too many families, communities and places see themselves being left behind in the economy. The Commission views this as '*bad for society and for trust in politics, but also bad for growth, productivity and the public finances'*. The Commission believes that to contribute towards the establishment of the concept of 'inclusive growth' a new regular, official quarterly national measure is required and intend to approach ONS about the development of such a measure.

Uses and Users

A1.6   Users of R-GVA statistics are wide-ranging across the UK and include academics and researchers, devolved administrations, local authorities, private organisations such as think tanks and consultancies, government departments and other statistical teams within ONS.

A1.7   The majority of users we spoke to rely on R-GVA (I) estimates and we found the use of the R-GVA (P) estimates to be less prevalent. Uses of R-GVA (I) include:

- establishing the growth sectors within regions to allocate funding support
- distributing European Structural Funding
- evaluating city deals and as triggers for further public funding support of such deals
- estimating the size of regional economies
- examining the regional distribution of the impacts of economic shocks
- examining the impacts of greater devolution and Brexit
- teaching students of economic classes at universities
- modelling regional business cycles
- constructing new econometric forecasting models
- productivity analysis – R-GVA statistics can help answer questions about what a region does (the mix of sectors) and how well the region performs (productivity within sectors)

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[43] The Northern Ireland Statistics and Research Agency (NISRA) collect economic data for Northern Ireland
[44] UK Statistics Authority Monitoring Review on the Geography of Economic Statistics June 2014
[45] RSA Inclusive Growth commission Report-Making Our Economy Work for Everyone March 2017

Annex 2: The Source Data

A2.1   The source data for R-GVA (I) and R-GVA (P) are set out below:

Data Sources for R-GVA (I)

Data source	Nature of data	Use in R-GVA	Delivery of data due
Annual Business Survey (ABS)	Structural business survey, a sample survey of enterprises	Allocates mixed income, Compensation of Employees (CoE) and gross trading profits of other corporations (manufacturing only)	Mid May
Labour Force Survey (LFS)	A residence-based sample survey answered by employees	Used to apportion CoE data for the activities of households	Mid June
Annual Survey of Hours and Earnings (ASHE)	Workplace-based sample survey of wages and salaries	Allocates CoE	Mid August
Business Register and Employment Survey (BRES)	Structural business survey, a sample survey of enterprises	Allocates CoE	Mid September
Agricultural Accounts from Department for Environment, Food and Rural Affairs (DEFRA)	Structural business survey of the agricultural industry, a sample survey	Used to allocate rental income, CoE, mixed income, gross trading profits of partnerships, and holding gains, all in the agricultural industry	Mid October
Defence Analytical Systems and Advice (DASA)	Administrative data about the number and location of armed forces personnel	Used to apportion national estimates of forces pay by region and Extra-Regio	Mid October
Business, Energy and Industrial Strategy Department (BEIS)	Administrative data about onshore gas and oil profits	Used to apportion gross operating surplus	Mid October
Self-Assessment income tax data	Administrative data provided by HMRC, the national tax authority. Derived from self-assessment tax returns completed by self-employed sole traders and partners	Used to generate data about reported profits. This forms an indicator which is used to apportion gross trading profits of partnerships, and mixed income	Early November

Source: ONS R-GVA (income approach) Quality and Methods Information[46]

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[46] ONS Regional GVA (income approach) Quality and Methods Information

Data Sources for R-GVA (P)

Data source	Nature of data	Uses	Delivery of data due
Annual Business Survey (ABS)	An ONS structural business survey, a sample survey of enterprises	Allocates output and intermediate consumption for bulk of the UK economy	Mid May
Annual Survey of Hours and Earnings (ASHE)	An ONS workplace-based sample survey of wages and salaries	Used in conjunction with BRES data to allocate public expenditure	Mid August
Business Register and Employment Survey (BRES)	An ONS structural business survey, a sample survey of enterprises. Used to define regional public employment numbers	Used in conjunction with ASHE data to allocate public expenditure	Mid September
Labour Force Survey (LFS)	Labour Force Survey data on regional employee numbers in component finance industries	Used as indicator for remainder of financial services, and temporarily for industries insurance industry and auxiliary financial activities	Mid September
Agricultural Accounts from Department for Environment, Food and Rural Affairs (Defra)	Structural business survey of the agricultural industry, a sample survey	Used for output and intermediate consumption for part of agricultural industry (crops and livestock)	Mid October
Regional estimates of bank and building society fees and commission and Financial Intermediation Services Indirectly Measured (Bank of England)	Administrative data supplied by the Bank of England at NUTS1	Allocates GVA for monetary intermediation	Late October
Self-Assessment Her Majesty's Revenue and Customs (HMRC)	Administrative data provided by HMRC, the national tax authority. Derived from self-assessment tax returns completed by self-employed sole traders	This forms an indicator which is used to apportion gross value added for sole traders	Early November

Source: ONS R-GVA (production approach) Quality and Methods Information[47]

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[47] ONS Regional GVA (production approach) Quality and Methods Information

Annex 3: The Assessment Process

A3.1   This Assessment was conducted from February to July 2017.

A3.2   This report was prepared by the Office for Statistics Regulation and approved by the Regulation Committee on behalf of the Board of the UK Statistics Authority, based on the advice of the Director General for Regulation.

A3.3   The regulatory team – Iain Russell and Kimberly Cullen – agreed the scope of and timetable for this assessment with the R-GVA statistics team in ONS in February 2017. The documentary evidence was provided by the R-GVA statistics team in March 2017. The regulatory team subsequently discussed and met with the ONS R-GVA statistics team during March, May and June 2017 to review compliance with the *Code of Practice for Official Statistics*, taking account of the all evidence provided and researched.

A3.4   This is one of a series of reports[48] prepared under the provisions of the *Statistics and Registration Service Act 2007*[49] . The Act gives the Statistics Authority (the Authority) power to re-assess whether the *Code of Practice for Official Statistics*[50] continues to be complied with in relation to official statistics already designated as National Statistics.

A3.5   Part of the assessment process involves our consideration of the views of users. We approach many known and potential users of the set of statistics, and invite comments via an open note on our 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.

A3.6   The regulatory team met and talked to 42 people and received 3 email responses from our user consultation. The respondents were grouped as follows:

Table A3: Summary of respondents to the assessment consultation

User type	Numbers
ONS	9
Other Government Departments (OGDs)	4
Devolved Nations	9
City-Regions	5
Private Organisations (think tanks, consultants)	9
Academics & Researchers	9

Key documents from ONS

- Regional Accounts Government User Group Minutes June 2014 to January 2017
- Regional Accounts Methodology and Guidance from ONS
- Details of Regional Accounts user engagement

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[48] Office for Statistics Regulation Assessment Reports
[49] The Statistics and Registration Service Act 2007
[50] Code of Practice for Official Statistics

- Industry reviews (Agricultural industry, manufacture of coke and refined petroleum products, tobacco products) and continuous improvement programme details
- R-GVA Balancing Project Methods Committee technical paper
- ONS Supporting Devolution article
- Projects plans for balancing and flexible geographies
- Quality Assurance of Administrative Data for HMRC Self-Assessment of Self Employed income
- R-GVA (I) Quality Assurance plan, R-GVA (P) Quality Assurance Plan
- Pre Release Access List for R-GVA (I) from ONS
- Pre Release Access List for R-GVA (P) from ONS
- Quality and Methods Information for R-GVA (I) from ONS
- Quality and Methods Information for R-GVA (P)from ONS
- Revisions Triangles for R-GVA (I) from December 2016

Other documents provided by ONS and others included the following:

- Regional, sub-regional and local gross value added estimates for London, 1997-2015 from GLA Economics
- Understanding productivity in Northern Ireland from the University of Ulster Economic Policy Centre
- Financial and Insurances Services Industry Review Part 1 October 2016 from ONS
- Deflation Methodology for R-GVA (P) – article from ONS

Contact us

For any queries about this assessment, or the work of the Office for Statistics Regulation in general, please email regulation@statistics.gov.uk

Annex 4: Next steps

Responding to the assessment report: what the Office for Statistics Regulation and ONS should expect from each other

A4.1 The publication of the Assessment report represents a key milestone in the assessment process, but should not be viewed as the end-point. The next phase, to meet the Requirements set out in this report, is critical to delivering the value, quality and trustworthiness to achieve and maintain National Statistics status. The next steps are as follows:

- immediately following the publication of the report, the Office for Statistics Regulation will arrange a meeting with the statistics team to talk through the detail of the Requirements and to ensure a common understanding

- the Head of Profession for statistics can follow up with the Assessment Programme Manager about the Director General for Regulation's letter that accompanies this Assessment Report. The letter: draws out the key findings; provides advice about where the statistics team is likely to need senior management support and direction and conveys any findings that have wider implications for the producer body and statistical system

- the Head of Profession for statistics is encouraged to:

    i) develop an action plan to meet the Requirements to the timetable set out in paragraph ES.8 of this report

    ii) agree the action plan with their senior management, and confirm that it is appropriately resourced

    iii) share the action plan with the Office for Statistics Regulation, publish it alongside the statistics, and explain to users and suppliers how it will engage with them in delivering the plan

    iv) seek out peers and support services that can help in delivering the plan – for example, the GSS Good Practice Team[51]

    v) agree with the regulatory team, how often, and in what form, the statistics team would like to engage about progress against the action plan – for example, some teams choose to meet with the regulatory team once a month

- the statistics team should provide full formal written evidence to the Office for Statistics Regulation by the deadline of 31 October 2017 as set out in paragraph ES.8 of this report. There are some Requirements that ONS has told us will take longer, requiring research, decisions, and planning involving ONS teams beyond the R-GVA statisticians alone. The exceptions to the deadline of 31 October 2017 are for Requirements 2(a) and (b), 3(b) and (c), 6, and 7(a), where the deadline is 31 March 2018. There is no set format for reporting, except that ONS should demonstrate that it has addressed the findings given in Tables 1 and 2 and provide links to any published or internal documents as support

- the regulatory team will review the evidence within 10 working days and arrange to provide feedback to the statistics team. As part of this process, the regulatory team will talk again to users to establish how their experience of the statistics has changed. When the regulatory team is satisfied that the Requirements have been fully met, its conclusions will be quality assured by Office for Statistics Regulation's

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[51] The Government Statistical Service Good Practice Team

senior management and then presented to the Authority's Regulation Committee to confirm designation. The Director General will then write publicly to the Head of Profession for Statistics to confirm the decision

- In the event that Requirements are not fully met within the agreed timetable, the Authority will implement [escalation procedures](#)[52].

A4.2 Based on experience, the Office for Statistics Regulation strongly encourages statistics teams to:

- engage with the detailed thinking of the Assessment report, and revisit it regularly. The regulatory team will be seeking evidence that the statisticians are demonstrating curiosity and are challenging their own thinking around delivering value, quality and trustworthiness. The Requirements in this report should not be viewed as a simple checklist

- view the responsibility for meeting the Requirements as falling to the organisation as a whole, not just the team that produces the statistics

- engage users early, not just to keep them updated, users can often offer valuable insight and expertise

- contact the regulatory team at any time if there are any questions or concerns

A4.3 Responsibility for complying with the Code of Practice does not end with the award or confirmation of the National Statistics designation. It is the statistics producers' responsibility to maintain compliance and also to improve the statistics on a continuous basis. The Office for Statistics Regulation encourages statistics producers to discuss promptly with the regulatory team any concerns about whether its statistics are meeting the appropriate standards. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated only when standards are restored.

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[52] [The Office for Statistics Regulation Escalation Procedures](#)