Office for Statistics Regulation
1 Drummond Gate
London SW1V 2QQ

T: 0845 604 1857
E: authority.enquiries@statistics.gov.uk
W: www.statisticsauthority.gov.uk

Director General for Regulation

Jackie Orme
Head of Profession for Statistics
Department for Digital, Culture, Media and Sport
(By email)

26 June 2019

Dear Jackie

CONFIRMATION OF NATIONAL STATISTICS DESIGNATION FOR DCMS SECTORS ECONOMIC ESTIMATES

We have reviewed the actions that you and your team have taken to address the requirements in Assessment Report number 340: DCMS Sectors Economic Estimates.

On behalf of the Board of the UK Statistics, I am pleased to confirm designation of National Statistics status for the following DCMS statistics:
- *DCMS Sector Economic Estimates: GVA*
- *DCMS Sector Economic Estimates: Regional GVA*
- *DCMS Sector Economic Estimates: Business Demographics*
- *DCMS Sector Economic Estimates: Employment*

As previously discussed, the designation of the *DCMS Sector Economics Estimates: Trade* is contingent on ongoing work by ONS to improve the quality of the data that underpin your trade statistics.

During this assessment DCMS staff involved in implementing the enhancements arising from the assessment have shown enthusiasm and commitment to improving the value and quality of these statistics. We welcome particularly the improvements the team has made to your publications, for example providing greater clarity on the definitions of the DCMS sectors, and of alternative sources of information. We also particularly welcome your team's ongoing work with communications colleagues to ensure these statistics are explained clearly to the public.

We welcome the progress so far in establishing the longer-term review of the DCMS sector definitions. I look forward to hearing of progress, which might most naturally happen through regular catch ups with our Culture and Identity theme lead.

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 invite you to include a statement alongside the statistics which reflects the National Statistics status.

Yours sincerely

Ed Humpherson
Director General for Regulation

Annex: Review of actions taken in response to Assessment Report number 340 on DCMS Sectors Economic Estimates

Requirement	Actions taken by DCMS to meet requirements	Further actions proposed by DCMS	OSR's evaluation of evidence in meeting Requirements
1(a) DCMS should clearly reference and explain other notable sources measuring similar concepts – both official and non-official. DCMS should explain the differences between the statistics, and for those that it considers useful in specific circumstances, highlight when they might be used.	In the Business Demographics publication in January 2019, DCMS published an annex (Annex C – pages 26-28) summarising other sources of analysis measuring the economic contribution of different DCMS policy areas. This provides information on the organisation, sector and sub-sector, and a summary of their use, identifying methodological differences and reasons for the estimates not to be a complete match to the DCMS economic estimates. This approach was expanded in the Regional GVA report, published in February 2019 to include summaries of statistics of interest within the main body of the report.	DCMS recognises that there will be many other sources of evidence, for example, from industry bodies, which have not been included. DCMS plans to develop the list of alternative sources over time, and as part of the review (req 4), to capture a wider spectrum of stakeholders' estimates. Where feasible, DCMS plans to provide summaries of the main alternative sources, with explanations for any differences within the body of the report.	DCMS has made significant progress in providing broader information both within the publications and as an annex to each publication. These annexes contain useful information about alternative sources of similar information, which will enable users to gain greater understanding of their sector(s) of interest, and the impact on the economy.
1(b) DCMS should establish a leadership role in this area. In the short term it should engage widely with producers to understand the available statistics, and longer term it should encourage collaboration, for example, by bringing bodies together to share best practice.	DCMS has met this requirement by continuing to engage with key stakeholders of the statistics, and by developing relationships with many of the organisations that produce statistics covering the economic impact of the DCMS sectors.

The team currently organises regular meetings for DCMS sector official statistics producers to share expertise and discuss topics of common interest. In addition, the statistics team is working with non-official bodies who are also developing measures to share best practice and encourage consistency of methodologies. | DCMS has committed to continue to identify and engage with relevant statistics producers as part of the sector review. DCMS has proposed to set up an interest group and terms of reference, which will meet on a regular basis to share innovations and best practice. | DCMS has continued to build on its relationship with key stakeholders in this area, for example through the DCMS sector official statistics community. The team is using its expertise to influence wider developments in the measurement of this sector.

The team has identified a wide range of stakeholders to approach as part of the definition review and its leadership role should naturally evolve through this. |
| 2(a) In the statistics publications, DCMS should go further to explain and quantify the overlap between sectors, | In the GVA publication in November 2018, DCMS published further clarity on the overlaps between DCMS sectors (see pages 7-8). This included an explanation | Where relevant, DCMS plans to include visual depictions and written explanations of the overlaps between DCMS sectors, including highlighting | DCMS provides a significantly improved explanation of the overlap between the sectors, which reduces the risk of the |

either through a more detailed graphic, or through a written explanation of the most significant overlaps.	as to why there are overlaps, how these came about, and greater transparency of the magnitude of the overlaps between the various sectors by producing a separate table giving the financial amount and proportion of DCMS' total GVA. Further to this, DCMS has added a diagram in the methodology note visually illustrating the overlaps between DCMS sectors in terms of SIC codes (for the overlap in terms of value, DCMS has pointed the user to the individual publication). These additional figures, tables and explanatory text were checked and quality assured with colleagues working outside of the economic estimates team, to ensure coherence and understanding.	overlaps of particular interest or significance.	statistics being misunderstood or misused.
2(b) DCMS should ensure that when the statistics are used in DCMS press releases they are clearly explained, and referenced (for example by including a link to the statistics)	The statistics team has worked with communication colleagues to ensure the main results and limitations for each set of statistics are clear, for example by producing a Q&A document for communication for each publication. The statistics team has also worked more closely with the communication lead on each release to ensure that, for example, the increase in Creative Industries GVA was fairly represented and reported in its press release.	The teams have committed to continue this closer working to ensure they reduce the risk of misinterpretation or misuse of the statistics.	DCMS has improved how the statistics are communicated in press releases by providing more clarity about the sectors and subsectors driving growth – for example, referencing the significance of computer services sub-sector in the growth of the Creative Industries. This clarity helps build confidence in DCMS as a trustworthy communicator of statistics.
3. DCMS should investigate whether diversity and socio-economic breakdowns of employment of these sub-sectors could be published, for example biennially by pooling samples.	Preliminary work has begun on the employment pooled datasets to enable DCMS to publish the number of jobs in DCMS sectors by the sexual identity variable. This is in response to an internal request, but has been published as an ad hoc on the DCMS website.	This proof of concept has allowed DCMS to begin investigating the possibilities of pooled datasets. More work is required to understand the potential for a time series using previous pooled datasets, and other variables that would enable DCMS to publish more sub-sectors (rather than some being consistently suppressed	DCMS has demonstrated that taking an alternative approach to analysing its data enables different user needs to be met. OSR welcomes DCMS's plan to consider developing this approach further as part of the review.

		due to disclosure risk in one year's data only). This will be rolled into part of the review (req 4) once DCMS has engaged with stakeholders to understand their priorities between more-granular data and timeliness.	
4. DCMS should plan, and agree the scope and terms of reference for, a refresh of all its sector definitions: This refresh should: a) aim to define sectors with a consistent methodology using for example SIC codes, SOC codes and product codes, b) consider innovative methods for identifying codes, c) take advice from sector experts, independent methodological experts (e.g. ONS), and regional experts (e.g. the Greater London Authority and Welsh Government), d) aim to implement the new methodology within 3 years	A project plan to address these requirements has been agreed. Other supporting materials include: - a governance structure for the project - draft terms of reference for the steering board - a project initiation document to define the scope and outputs of the project - a risks and issues log to be used for reporting throughout the project - an initial contact list for the consultation part of the review	The review will be delivered over the next three years.	The team has met the requirement to agree the scope and terms of reference for a refresh of the sector codes and has buy-in from senior officials within DCMS. The team has started to engage with key stakeholders about the project; they have so far been supportive. Whilst resource for this project is not yet confirmed, the team is bidding for funding to hire a contractor to deliver part of the project and has contingency plans in place to deliver within current resource if needed. OSR will monitor progress of this project through ongoing engagement with the Head of Profession for statistics at DCMS.
5. In order to enhance the quality of the economic estimates, DCMS should publish information that assures users about quality that includes: a) a detailed and accessible account of the quality assurance processes in place including the data checks carried out by data suppliers b) information on the limitations and possible biases of the statistics in	DCMS includes many elements of quality in its releases and methodology document accompanying the publication. DCMS has published a quality assurance report as part of the Business Demographics release in January 2019, and as part of the Regional GVA release in February 2019. The Head of Profession for statistics has updated DCMS's Statement of Compliance.	Quality assurance reports will form a standard part of the Economic Estimates publications.	DCMS has published a clear account of the quality assurance undertaken by both ONS and DCMS. In addition, data limitations are included in an annex to each publication, to enable users to quickly reference where changes to data collections may impact the figures or estimates are not comparable. The updated statement of compliance clearly sets out DCMS's policies and strategies

relation to use DCMS should update its statement of compliance to reflect the introduction of these statistics, and link to where further information can be found.			which support it to be compliant with the Code of Practice for Statistics.
6. DCMS should review its data sharing agreements, and ensure a) an agreement is in place with each team providing data b) any time lag between the producer collating the data and providing to DCMS is minimised.	Data access agreements (DAAs) are set up with the majority of the data providers. These are regularly updated to take into account any staff changes and any changes in the proposed use of the data. DCMS ensures that it receives the data from suppliers in a timely fashion, and the reason for any time lag is now included in the statistical release, for example page 2 of the GVA release. DCMS has agreed a Memorandum of Understanding with HMRC for the required Trade in Goods data and developed a draft Service Level Agreement (SLA) with ONS for the provision of ONS's Supply and Use Tables data.	DCMS will shortly be finalising the SLA with ONS and has committed to continue to keep its data access procedures and agreements under review.	OSR welcomes DCMS's approach to developing the most appropriate agreement for each type of data provision. OSR welcomes the drafting of the SLA, which will enable robust data transfer mechanisms for DCMS's GVA statistics.