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From the Private Secretary

25 May 1999

Dear Peter

CONTROL OF STATISTICAL SURVEYS

The Prime Minister has agreed new procedures for the control of Government statistical surveys.

The necessary control of statistical surveys has hitherto been exercised through the detailed examination of individual surveys and clearance by the Survey Control Unit at the Office for National Statistics. The new procedures represent a significant change, with an emphasis on controlling the overall burden placed on businesses and local authorities. Only in the case of large-scale surveys will detailed reviews and clearance be required. These procedures replace those introduced by this office in August 1994.

Good statistics are vital for good decisions by Government, businesses and individuals and for public debate. Information may be required to determine, evaluate or monitor policy or action, provide social or economic indicators or measure customer satisfaction. The collection of data causes burdens on providers and it is important to keep these to a minimum, particularly for small firms. Statistical surveys account for only a fraction of the overall cost to businesses of complying with government administrative requirements. These costs can nevertheless be perceived by some businesses to be large and therefore deserve attention. Therefore controlling surveys is an important part of achieving the Government's overall aim of reducing the administrative burdens faced by business.

The detailed procedures to be followed are in annex A. This includes a summary of the responsibilities of Ministers, departments, the Survey Control Unit and independent observers under these revised procedures. Annex B lists the main changes from existing instructions.

Ministers should exert downward pressure on the compliance costs to businesses and local authorities and seek improvements to the quality of essential surveys. The aim of these instructions is to help them to achieve this without the need to be involved in the detail of individual surveys. They take account of the Osmotherly report '*Statistical Surveys: Easing the Burdens on Business*'.

Departments should make the necessary preparations for the implementation of the new procedures. The new procedures should be implemented no later than April 2000. Departments may wish to discuss interim arrangements for moving to the new system with the Survey Control Unit at the Office for National Statistics.

I am copying this letter to the Private Secretaries of members of the Cabinet and to Sebastian Wood (Cabinet Office).

yours ever

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Peter Unwin Esq
Office of the Deputy Prime Minister

**Control
of statistical
surveys**

Instructions

Introduction

1. These instructions form the basis for controlling Government statistical surveys of businesses and local authorities. They create a framework for monitoring the compliance cost imposed by departments conducting statistical surveys.

2. The instructions provide Ministers and officials within departments with a mechanism for controlling the burden on business and local authorities without them necessarily being involved in the detail of individual surveys. In summary, control is to be achieved in the following way:

- Departments and agencies must keep records of surveys undertaken and their compliance costs;
- They must prepare an annual “Compliance and Quality Improvement Plan” that sets out the statistical surveys to be conducted, their estimated compliance costs and proposed improvements. The plan should also report on previous activity;
- Regular surveys must be reviewed at prescribed intervals. Detailed reviews are required for surveys with annual compliance costs exceeding £250,000. The level of detail required when reviewing less frequent large surveys should be agreed with Survey Control Unit.
- New, regular surveys of businesses, with compliance costs exceeding £50,000, must be cleared through the SCU.

3. The next section of the instructions outlines the scope of survey controls. This is followed by details of the survey control procedures and provides guidance on preparing compliance plans, reviewing regular surveys and dealing with proposals for new surveys.

Scope of survey controls

4. Survey controls apply to all statistical surveys of businesses and local authorities, conducted by, or on behalf of, Government departments or agencies where there is potentially a burden, or a perceived burden, on those approached to participate. This includes both regular and ad hoc surveys; both voluntary and statutory surveys. Surveys conducted by, or on behalf of, non-departmental public bodies are also covered. Such bodies may wish to report through, or combined with, parent departments.

5. Generally, surveys of individuals and households are outside survey control and do not form part of the reporting process. However, Survey Control Unit (SCU) will continue to record details of new regular surveys of individuals and households that exceed 5,000 respondents and 15 minutes completion time.

Definition of statistical surveys

6. A statistical survey is any structured inquiry designed to obtain aggregated data (which may be qualitative or quantitative) where the individual or corporate identities of the respondents are in themselves of little significance.

7. Statistical surveys in scope are not limited to those conducted by statistics divisions and do not necessarily involve completion of a form; telephone and personal interview surveys are also included.

8. The following are examples of statistical surveys of businesses or local authorities covered by these controls:

- Surveys designed to obtain aggregated data;
- Surveys where responses are solicited by means of a direct approach to potential respondents;

- Surveys carried out for departmental sponsors by consultants or private organisations;
- Customer satisfaction surveys designed to identify overall success of a product or service.

9. The following are examples of surveys **excluded** from survey control:

- Surveys where there is no direct approach made and where respondents clearly select themselves (e.g. web sites, readership surveys, some types of consultation exercises where there is an invitation to comment);
- Where information is required as an integral part of the operational management of a public service. Such returns will often be regulated under specific departmental controls;
- Surveys relating to the contractual obligations of potential respondents to the department or agency concerned;
- Surveys to respondents in central government and its agencies.

Any doubt about the inclusion or exclusion of particular surveys should be clarified with SCU.

Survey control procedures

10. The procedures are based around formal compliance planning, focussing on the larger surveys, supported by mechanisms for clearing new surveys and reviewing existing ones. Departments should nominate a Survey Control Liaison Officer (SCLO), responsible for liaison with SCU, providing advice and guidance and monitoring survey activity within their department.

Recording surveys

11. Departments and agencies must keep a record of all the surveys of businesses and local authorities they undertake, including compliance costs; identifying those regarded as GSS surveys and those that are not.

The compliance and quality improvement plan

12. Departments and agencies conducting statistical surveys of business or local authorities must prepare an annual compliance and quality improvement plan on a three-year rolling basis. Plans should be submitted to departmental Ministers (or Chief Executives where appropriate) for agreement. These plans should include:

- A summary of the survey activity and compliance costs over the previous year (and a comparison with the previous plan);
- The total estimated compliance cost to be imposed on business or local authorities over the next three years (where firm information is not available, this may be limited to known regular surveys and any agreed ceiling; see paragraph 14 also);
- The survey programme for the next year and, where available, plans for years two and three. Where no firm details of years two and three are known, outline plans should be provided;
- A summary of the department's statistical outputs and their use;
- Details of reviews of regular surveys undertaken. These should include details of recommendations designed to improve quality and/or reduce costs over the planning period (see below for details of what these reviews involve);
- Details of other initiatives planned to improve quality and/or reduce running or compliance costs;

- Progress in following up initiatives (for example on the use of the Inter-Departmental Business Register or survey holidays arising from the Osmotherly report).

13. The gross burden to business should be used in the calculation of compliance costs. This can be defined as **all additional costs** to businesses arising from their inclusion in a survey. Further guidance on assessing compliance costs is given in the SCU *Guide to Best Practice*. Where some or all of these costs are clearly offset by benefits to respondents it is useful to include a reference to this in the plan, e.g. by using a footnote. Alternatively, surveys that offer a benefit to respondents may be highlighted by being grouped together within the plan. Costs in the Compliance Plan should be consistent with those used in departmental work plans and the GSS Annual report.

14. It is acknowledged that some departments may have difficulties in planning for ad hoc surveys, particularly where there are uncertainties over policy requirements and dynamic operational needs. In such cases a department's compliance and quality improvement plan should provide an overall upper limit for the compliance costs. Any limit will be for departments to agree with their Minister. Compliance costs for such surveys should be reported retrospectively, although full details of individual ad hoc surveys would not be necessary.

15. An independent observer should be involved in the construction of the compliance and quality improvement plan where the annual total compliance cost exceeds £500K. The role of the observer is to authenticate the validity and integrity of the compliance planning process.

16. Ministers or Chief Executives must be informed of potential changes to survey programmes that may result in the agreed limits being exceeded. An increase in the level of compliance costs in the year should be referred for ministerial agreement (or the agreement of the Chief Executive), most sensibly in the form of a revision to the compliance plan taking account of all known changes to the end of the year.

17. Compliance and quality improvement plans may be part of wider annual reporting procedures that take place in departments and agencies. Surveys of business and of local authorities may be reported separately as long as all relevant surveys are covered.

18. Copies of compliance and quality improvement plans (or departmental reports containing this information) should be provided to SCU to a specified timetable each year. It would be helpful if these were provided on a financial year basis.

Reviews of surveys conducted at regular intervals

19. All regular surveys must be subject to review. Annual (or less frequent) surveys must be reviewed at least every 5 years. More frequent surveys must be reviewed at least every 3 years. Surveys with annual compliance costs of less than £250,000 need only be subject to minor reviews. Such reviews should include a brief justification for their continuation, feedback from users of the data and a reassessment of the compliance costs. Sponsors should also consider obtaining feedback from data providers where it is appropriate. The reviews of larger regular surveys (with compliance costs exceeding £250,000 per year) should be comprehensive, including thorough consideration of the uses of the survey and options for change. In line with the recommendations of the Osmotherly report, they should involve an independent observer. The structure of reviews of large surveys is outlined in more detail in Appendix 2.

20. Reviews of related surveys should be synchronised where appropriate. Examples are:

- Related surveys for different countries of the UK;
- Surveys collecting essentially the same information at different frequencies.

New survey proposals

21. Departments should submit proposals for new regular surveys of business and local authorities with annual compliance costs that exceed £50,000 to SCU for examination; the appropriate (green) notification form should be used. Feedback will be provided to survey sponsors on the new survey in terms of both specific points and good practice. Departments

should notify the SCU of new regular surveys of individuals and households that exceed 5,000 respondents and 15 minutes completion time using the appropriate (pink) notification form. Where practicable, as a matter of good practice, departments should refer their new surveys to any independent departmental body, user or advisory group for their information or approval.

22. The SCU *Guide to Best Practice* includes practical advice on reducing burdens. Although this is aimed at surveys of business, much of its content is equally applicable to surveys more generally. Copies of the guide are available from SCU. Survey sponsors should also make use of any departmental guides, the survey approval checklist, the Government Statistical Service (GSS) Code of Practice and the Statistical Quality Checklist. The SCU or departmental SCLO is available to offer further advice on good practice if required.

23. StatBase should serve as a useful tool to ensure that existing data sources are exploited and duplication of collection is avoided. Survey results should be readily accessible to GSS colleagues and deposited in StatBase and/or other archives where this is appropriate.

24. Compliance costs and benefits of all new survey proposals should be assessed by departments/agencies - including the impact on smaller firms. Guidance on determining compliance cost estimates is to be found in the SCU *Guide to Best Practice*. Further advice can be obtained from SCU or the departmental SCLO.

25. Where surveys are sponsored by more than one department/agency, the one providing the most resources for the survey carries the responsibility for ensuring survey control procedures are followed.

26. A summary of the responsibilities of Ministers, departments or agencies, independent observers and the SCU are outlined in appendix 1.

Appendix 1

Summary of Responsibilities under the New System

Ministers (or Chief Executives):

- To approve compliance plans and survey programmes by departments and agencies and any subsequent changes to these. Ministers should assure themselves that the surveys included in the plans are justified and properly controlled.

Departments and agencies:

- Departments and agencies must keep records of surveys of business and local authorities undertaken and their compliance costs;
- Departments commissioning surveys of business or local authorities must produce annual compliance and quality improvement plans. These should include an analysis of overall compliance costs, initiatives to reduce these costs and improve quality, and outline future plans within agreed compliance cost limits on a three-year rolling basis. Departments with total annual compliance costs exceeding £500,000 should involve an independent observer (where possible from outside the Civil Service) in the construction of their overall plan;
- For the purposes of compliance and quality improvement plans - all departments/agencies should assess compliance costs of all new surveys of business or local authorities. They should also review the compliance costs of regular surveys and obtain feedback from the providers and users of the data. Annual (or less frequent) surveys should be reviewed at least every 5 years. More frequent surveys should be reviewed at least every 3 years. Reviews of major regular surveys should involve an independent observer;

- Each department should have a Survey Control Liaison Officer (SCLO). SCLOs should submit to the SCU proposals for new, regular surveys of business and local authorities with compliance costs greater than £50,000;
- SCLOs should notify the SCU of new, regular surveys of more than 5,000 households or individuals and where the compliance time is 15 minutes or greater.

Independent Observers:

- In the preparation of the compliance and quality improvement plan, to authenticate the validity and integrity of the process;
- As a member of the survey review team, to ensure that questions on the need for the survey and on quality and compliance costs are properly considered;
- Ensure that the needs and views of business and that improvements of most value to business, are fully considered.

Survey Control Unit:

- To ensure compliance plans and annual reports are produced by departments/agencies and to publish annual summaries. To report on the total compliance costs imposed by central government statistical surveys of business and local authorities. SCU to inform Ministers/Chief Executives of departments or agencies not fulfilling these reporting and planning requirements;
- To monitor survey activity, provide advice to survey sponsors on best practice including the measurement of compliance costs on a consistent basis. To coordinate particular initiatives concerned with minimising burdens or improving quality and liaise with the Cabinet Office Better Regulation Unit as required;

- To examine proposals for new, large, regular surveys to business and local authorities and to record any new, large, regular survey of individuals or households.

Appendix 2

Reviews of Large Regular Surveys

All regular surveys with annual compliance costs exceeding £250,000 should be subject to a thorough review. These major reviews should involve an independent observer and the report published, with a summary copied to the Minister (or Chief Executive). As good practice, such reviews should as a minimum consider the following:

- *The need for the information.* Internal to the department and external (distinguishing between Government and non-Government users);
- *The conduct of the survey.* Outline existing and proposed arrangements for conducting the survey, mentioning specifically any changes which have taken place since the last review;
- *Costs.* Include costs to both Government and respondents. Identify the burden on different size respondents, in particular small firms;
- *Respondents' views.* A small representative sample of respondents should be consulted and their views on the problems of supplying the information and resources involved in completing the survey should be indicated. In addition, departments may wish to consult representative bodies (e.g. trade associations);
- *Options for change.* Consider alternative data sources, also options for simplifying or reducing the survey and their implications;
- *Osmotherly/survey holiday report.* Progress on Osmotherly recommendations and survey holiday guarantees.

CHANGES TO SURVEY CONTROL PROCEDURES FROM 1994 INSTRUCTIONS

- Departments and agencies conducting statistical surveys of business or local authorities must prepare an annual compliance and quality improvement plan on a three year rolling basis for agreement with their Minister (or Chief Executive where appropriate).
- Departments with annual compliance costs exceeding £500,000 should involve an independent observer in the preparation of their plan. Copies of plans should be submitted to the Survey Control Unit at the Office for National Statistics (SCU).
- Departments should refer to their Minister, any revision that results in the compliance target being exceeded.
- Departments must continue to review regular surveys of business and local authorities. Those surveys with an annual compliance cost of more than £250,000 should be subject to a comprehensive review involving an independent observer; others a mini review.
- There is no longer a requirement to clear reviews with SCU or Ministers. However, a summary of reviews of major surveys should be submitted to Ministers for information.
- Ministerial approval of each new survey is no longer required.
- Departments need no longer submit each new survey to SCU for approval. New, regular surveys of business and local authorities, with annual compliance costs that exceed £50,000 should be submitted to SCU. SCU will provide feedback on specific points and matters of good practice.
- Departments should notify SCU of new, regular surveys of individuals and households, with a sample size greater than 5,000 and where the time taken to complete the survey form exceeds 15 minutes.