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## ONS customer satisfaction survey, 2013

1. First let me apologise for the lengthy delay in you receiving this. We greatly value the opportunity to provide feedback on the performance of the ONS, and we welcome the continuation of the annual exercise as an important part of the dialogue between ONS and key user departments.
2. Given the change in approach, while we have completed the questionnaire we also thought it important to offer general thoughts. Overall, we have rated the performance satisfactory. As in previous years a higher mark is precluded by ongoing concerns with certain aspects of National Accounts, though we continue to recognise the area as particularly affected by the change that ONS has recently undergone.
3. We recognise too that change is continuing across most economic statistics. The ongoing reviews of consumer price indices and the National Accounts could have major

implications for future work programmes, and the reviews of public sector finances have already tackled some prominent concerns.

4. Below we offer more detailed comments under key headings for statistics.

### The National Accounts

5. Throughout the year GDP and National Accounts estimates have been produced on a timely basis, well presented and normally to what seems an acceptable level of accuracy. Associated commentary and methodological background has been helpful, and dialogue at working level has been invaluable. We recognise this as a significant achievement; nonetheless, it has been another challenging year for National Accounts statistics.

6. We have been pleased that ONS implemented seasonal adjustment for monthly construction figures earlier than might normally be the case, and have observed reduced volatility since then. The alignment of Public Sector Finances and the National Accounts meets a long-standing user requirement. The effort to repair the private non-financial corporation balance sheet was well aimed and provided a helpful staging post on the way to fuller implementation with Bank for International Settlements data later this year. Newly re-instigated flow of funds work begins to address a major user concern. We were also grateful for the prompt action on some other problematic areas, in particular the temporary fix to rectify the inconsistent measures of owner occupiers' housing in the National Accounts.

7. Some other initiatives have gone less well. The issue of regional GVA volume figures, though rectifying a long-standing shortcoming, was badly done. Most notably, the divergence between the estimate for Scotland and the Scottish Government's own figures created the impression, no matter what the technical reasons, of a lack of basic sense checking.

8. Difficulties in balancing the three headline measures of GDP through the year seem to have led to an annual measure for 2013 that is more heavily reliant on the expenditure measure than is normal, though this might be more in line with the signal from private sector data. On a couple of more detailed points, we remain of the opinion that there is a bias in

trade in service figures, and would welcome more engagement by ONS staff here, and the repeated non-appearance of the geographic trade breakdown is a problem.

9. But overshadowing any other developments were the revised estimates of investment issued in the Blue Book dataset. I need not rehearse the arguments here, and a well-resourced and managed programme of user engagement aided damage limitation. We now expect further improvements to the figures, not least a reduction in the volatility that users always maintained was implausible.

10. In the meantime, the provision of historic data still appears to be in a state of flux, and our previously articulated worries about the integrity of the systems are proving increasingly well founded. For example, the repeated failure to deliver capital stock figures since 2009 has left users obliged to construct their own measures.

11. This year the ONS are embarking on the major challenge of implementation of the European System of Accounts 2010. We have welcomed the engagement throughout the process so far, and the gradualist approach is sensible given the risks. But ONS will understand users' worries here, given difficulties in the past with implementation of major change, e.g. 2011.

12. Against this backdrop we have welcomed the instigation of National Statistics Quality Review of National Accounts and related products, the 'Barker Review', and have been pleased to be able to contribute positively and substantively across a number of meetings with the review team. We understand that the team have taken a very broad view of their remit and look forward to their recommendations that should firmly set the direction of the National Accounts for the foreseeable future.

#### Labour market statistics

13. Overall we are content with the general quality of the labour market statistics data as reliable and subject to an acceptable level of revision. We welcome the continued action the ONS takes to engage with users and in bringing together interested government departments through the labour market theme group.

14. There remain occasions where the prioritisation could be improved. For example, resources could be better deployed to bring together and publish underlying labour market data back past 1992, such as for youth unemployment, self-employment or part-time employment. This lack of data availability makes key comparisons with previous recessions difficult.

15. We were pleased to see the publication of the AWE backseries data in October 2013 as this has been a longstanding issue for the Treasury and other users. It was, however, disappointing to see that the opportunity was missed to align the backseries to the AWE for the future therefore limiting the usefulness of the series.

16. We continue to welcome ONS endeavours to work with DWP on producing a new administrative measure of unemployment to replace the claimant count, the work to understand the impact of the falling LFS response rate, and efforts to reverse it.

#### Consumer price indices

17. Consumer prices indices and other inflation measures are produced each month in a highly efficient manner and presented clearly and very effectively to the user community at large, with straightforward and extensive electronic access. Over 2013 ONS have also made major additions to the published measures, with the launch in March 2013 of CPIH and RPIJ.

18. In the meantime a proactive programme of work ensures the measures remain appropriate and representative, and we are well informed about any developments.

19. An exception to this rule was the publication of figures for higher education under the second year of the higher price cap. Here user departments were taken by surprise, and projections of the impact of tuition fees across the three-year horizon turning out to be wrong. More generally we remain interested in exploring the impact of discounting on consumer price inflation, and would like to see some concrete progress.

20. We have discussed separately issues around CPIH, and the need for quality assurance of the VOA statistics.

21. We have supported the development of computer systems to minimise production risk and promote analytical flexibility. While we recognise the difficulties with IT provision for complex statistical processes, we understand that progress has been slower than expected and would welcome reassurance that the original goals of the project are likely to be achieved.

22. Again the Treasury has welcomed the two major reviews of price statistics: Smith on governance and Johnson on user needs. The Smith review has set out sensible proposals for new advisory groups that should facilitate any necessary methodological change while protecting the integrity of price indices. We await the recommendations of Paul Johnson's broader review with some interest.

#### Public Sector Finances (PSF) and classification

23. The main activity in the PSF area has been the ONS's review. The Treasury are pleased to have been involved in this in an advisory capacity and are grateful that it has reached sensible and sustainable conclusions and look forward to the implementation of its findings. We are also grateful to ONS for using Blue Book 2013 to align more fully between National Accounts and PSF and hope that such a big catch-up will not be necessary in future as this alignment will be more embedded. The Treasury has more concerns on the implementation of ESA10 where we feel in some areas we might have expected earlier consultation, and thus avoided introducing issues on the quality of the data used in PSF, but have been grateful for ONS's communications which have allowed the dissemination of information in the Autumn Statement and the Budget. We also recognise that implementation of ESA10 is still a big challenge, especially alongside the implementation of the ONS review. On classification, we welcome the clarity brought by the publication of the ONS's forward work-plan but still stress the need to ensure that classification decisions are made in a timely and rigorous way. We do have specific concerns over the length of time that it has taken to classify PF2.

24. We are of course happy to discuss any of these comments or the questionnaire response in more detail.

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