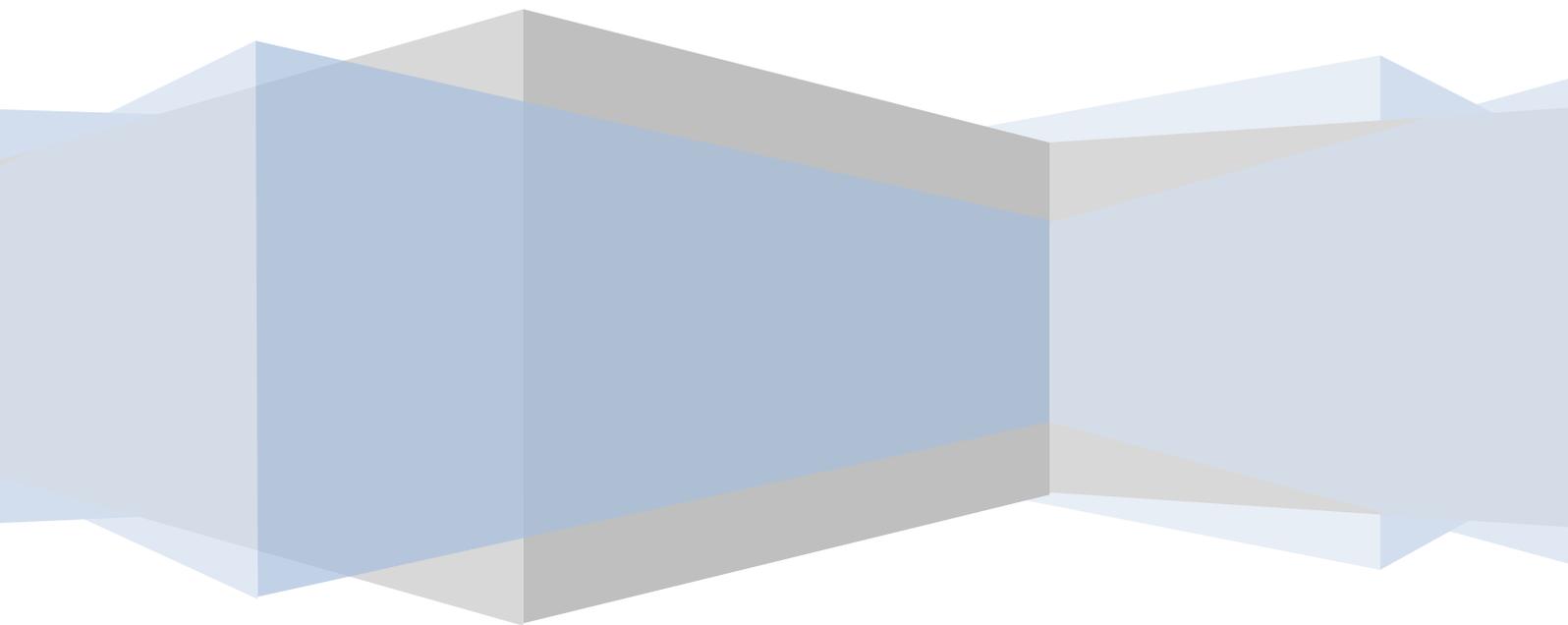


ONS

Purchases External Stakeholder Working Group

Minutes of 5th meeting – 22nd September 2015



Minutes:

Purchases Survey External Stakeholder Working Group
5th Meeting

Arrangements:

Date: Tuesday 22 September 2015
Time: 11:00 – 13:00
Location: Department of Energy & Climate Change (DECC)
Kings Building
London
Room: G01

Attendees:

<i>Office for National Statistics (ONS):</i>	<i>Hannah Finselbach (Chair), Katy Nicholls, Helen Meaker, Lee Birt</i>
<i>Department for Business Innovation and Skills (BIS):</i>	<i>Brian Stockdale</i>
<i>Department of Energy and Climate Change (DECC):</i>	<i>Julian Prime, Iain MacLeay, Elizabeth Waters</i>
<i>Scottish Government (SG):</i>	<i>Mairi Spowage (dialled in)</i>
<i>Department of Finance and Personnel Northern Ireland (DFPNI):</i>	<i>Gerard Colgan (dialled in)</i>
<i>Welsh Government (WG):</i>	<i>Craig Thomas</i>
<i>Department for Environment Food & Rural Affairs (DEFRA):</i>	<i>Rocky Harris</i>

Apologies: *Adrian Chesson (ONS), Chris Ganley (DFPNI), Deborah Lyness (DFPNI), Henry Small (WG), John Dowens (SG), Stevan Croasdale (SG), Lee Robinson (BoE), Nikos Tsotros (BIS), Siobhan Carey (BIS), James Gillan (DFPNI), Gary Cambell (SG)*

1. Introductions

HF welcomed all stakeholders to the meeting.

2. Minutes and actions from previous meeting

HF asked for any comments on the minutes from the previous stakeholder meeting in May 2015, and noted that these would be published on the Purchases Survey web pages on the ONS website.

The following open actions were discussed:

ACTION 11 - KN apologised for not circulating the report yet on RUs with LU's in different SICs. Analysis is ongoing, but there has been a delay in filling the RO vacancy. This will hopefully be resolved next month. Action ongoing - Katy will circulate as soon as possible.

ACTION 12 - MS commented that this is a particular issue for SG i.e Scotland LUs are often part of other region RUs. Will have a discussion about this and a Scottish boost when in Newport for a meeting next week. **Action closed**

ACTION 13 - KN had compiled a brief note about HMRC data use by ONS, and discussed some of the options for use, but it depends on what data we have access to i.e intrastat/extrastat data at RU level. There are some complexities but these are being pursued. **Action closed**

Hannah has been invited to attend the VAT Turnover Project Board. One obvious use for the VAT expenditure data is validation and possible calibration (methodology to review this as part of the ongoing analysis to improve the survey design). There will be benefits across the office to use the administrative data, but we will still need the Purchases Survey questionnaire as there is no detailed product information on the VAT return, and it also includes more than

intermediate consumption. There may be wider benefits for the supply/use tables, as VAT data could be used for quarterly Supply and Use.

MS mentioned that HMRC data was to inform the industry specific product list initially, but unfortunately we have not been able to access it yet. However, it can be used to improve future questionnaire design. MS asked if UK and import VAT would be included.

NEW ACTION 22 HF to check, but assumption is that it will be just VAT return, as Import VAT may be on a separate system. We will need to obtain business level data to match with the IDBR.

BS - BIS are very interested in the information on import versus domestic purchases. HF explained that UK/ Non UK splits on energy, good and services sections have been included on latest version of the questionnaire. ONS are doing a project on TiVA (Trade in Value Added) with Sussex university - slow getting access to HMRC microdata but access has now been agreed, and a meeting will follow next month. Hopefully ONS will be able to access the HMRC microdata soon.

ACTION 14 - LB informed the meeting that there is an ongoing Deflator Project, and this will help determine which deflator to use, but different weights may need to be applied to different commodities.

HF - collecting volumes will be included as an ongoing requirement, and may possibly be added to the ONS website to inform the relevant industries that it may be a question on a future Purchases Survey. Sharon Dix is managing the Deflator Project, and HF will contact her, write up a note on this, and close this action. **Action closed**

ACTION 15 - HF to follow up the infographic with the ONS Design Team. They have no resource so we may need to outsource this work. The phase "intermediate consumption" has been removed from questionnaire, and the infographic will also need updating. ONS can monitor the use of this during the first year and identify the needs of different industries, and create relevant diagrams accordingly.

ACTION 21 - HF - Welsh Government have never asked ABS for its own strata, but could commission MD to review this. CT said that combined Wales/England data was meaningless for the WG. HF said that she would investigate commissioning MD to review this for the Purchases Survey, but there would potentially be large changes to the sample design and size, and therefore it would not be available for Year 1.

RH asked if England representative or not? HF said that data is allocated where the RU is based, but there are no plans to publish at regional level. The External Stakeholder Working Group members will have access to microdata.

MS – explained that Scottish Government want access to all UK microdata. HF said that the only issue with access to microdata is with Northern Ireland. Everyone else OK to receive all UK microdata when Data Access Agreements established (see Action 53).

ACTION 53 - HF ongoing action - this is just related to Northern Ireland access to GB data.

ACTION 1 - **Action closed**

ACTION 6 - From cognitive testing, asking about volumes adds burden. Large companies could possibly provide figures if they have a few years warning to set up their systems. These questions would only be asked with the energy and water products only. For compliance purposes, we need to check other sources. **Action closed**

IM - DECC do have volume data by meter point on an annualised basis - weather corrected/ shared by businesses. More testing is needed, and HF will check demand in ONS.

NEW ACTION 23 HF - We will investigate how best to communicate the potential addition of volume questions going forward. We could put a notice on our Survey webpage to provide early information for businesses

3. Project update - overview, status & risks

Electronic Data Collection

An EDC update has been circulated, but HF confirmed that the Purchases Survey would be paper based for two years, until the 2017 reference period, survey despatched in 2018. Further updates will be circulated when they occur. The pilot survey for the Monthly Wages and Salaries Survey is going well, but the next big test for EDC is when the first structural survey is planned to be rolled out.

Project Overview

- status of the project is Green. This is due to the paper questionnaire development being completed to plan;
- CORA (the data take-on system) is progressing well and is on target to provide a version available for testing purposes by the end of October;
- the resources are available to enable planning and coordination across Purchases, CORA and BDD. A planning workshop was recently held with all relevant parties which produced a detailed schedule for operational delivery;
- end-to-end testing strategy is being developed and is due to be delivered by the end of this month. This work is scheduled to be undertaken across 2 weeks in January;
- an additional wave (4) of cognitive testing was successfully completed by DCM at the end August, and was followed by a final report which was circulated with the agenda;
- following recommendations from methodology experts and stakeholders, the decision has been approved by the Project Board to include micro businesses (0-9 employment) in the Purchases sample. A dummy selection file has been successfully produced and detailed analysis will start when the RO is in post;
- consideration is still being given to producing an infographic to reinforce the requirements of the data to be included by respondents. Plans to develop more sophisticated help via the ONS website have had to be delayed for Year 1, as there is no scope for new functionality.
- the staggered despatch has been agreed with two equal samples derived from one final selection file, being despatched on 29 February 2016 and 23 May 2016.
- no real risks at the moment as all vacancies have been filled, and system builds are to progressing to plan.

HF - staffing update - we should know who the new RO is soon, and also who will fill the Project Executive role on the Purchases Project.

BS - asked what was considered as part of stagger? HM - main consideration was to utilise the BDD resource which is available for the whole of the survey period. This allows more effective management of telephone queries, and also spreads the validation process over a longer window.

IM - asked if he could view the sampling fractions. We will share these with the circulation of the minutes of this meeting.

NEW ACTION 24 - HF to include the sampling fractions when the minutes of this meeting is circulated to the group.

4. Update on survey design and questionnaire design

KN outlined the key changes from Wave 4 testing which had been circulated prior to the meeting:

- Standard ONS structure used for the front page.
- The term "Intermediate Consumption" has been removed.
- Guidance Table included and has proved to be effective for the Capex Survey.
- We have reinforced the exclusion of goods for resale without further processing, capital and fixed costs and staff costs throughout the questionnaire.
- The total questions are now asked at the start of the questionnaire, to distinguish the difference between total purchases, and those purchased and used or transformed by the business.

- We have expanded the "STOP" box to explain that Sections C, D and E should be breakdowns of Question 3b.
- Sections C,D and E cover Energy, Services and Goods respectively.
- Breakdowns of questions 5a, 7a and 9a, (purchased in the UK or outside the UK), testing was inconclusive. If respondents do not have all this information available, and to encourage response, we have added a note to inform them that they can provide informed estimates.
- Question ordering was tested and respondents consider the order to be sensible.
- In Section F, manufacturing businesses will receive an extra question which asks "**During the reporting period, did your business carry out work on behalf of a customer, when you provided only labour and no materials?**". This will help to identify purchasing patterns in manufacturing businesses. This section also includes the extra total check and allows respondents to provide information on discrepancies between the sub sections and the totals. This Section was viewed favourably by respondents.

The following points were discussed on questionnaire design:

KN- mentioned that question 2 could inform respondents that this would match their VAT return. LB- only problem is it could suggest we are checking their VAT so we need to be careful!

IM - confusion about gas - CPA06 is gas extraction, CPA36 is the distribution of the same product. Coal processed, producer gas would only occur within iron /steel industry with the producer gas by-product potentially traded to electricity plants, instead of it being wasted. Manufactured gas is for specialist industries. It is unclear how much of these gas by-products are traded for free and not purchased.

NEW ACTION 25 - Further discussions to be held to possibly split the manufactured gas question - KN/RH. **Complete.**

RH - Section C title does not really describe what is being asked. RH suggested "Energy, water and waste" which was favourably received.

NEW ACTION 26 - KN to ensure this change is updated in the questionnaire. **Complete.**

BS - asked if the question library could be rearranged by industry, and industry experts could then review it.

NEW ACTION 27 - HF - to circulate Excel question library to all stakeholders, and will discuss with James Gillan and Mairi who are in Newport next week. **Complete.**

NEW ACTION 28 - All stakeholders to provide any further comments on the questionnaire by **2 October 2015**. **Complete.**

5. Update stakeholder requirements

HF gave an overview on what requirements had been met in year 1 of the Purchases Survey, and what is still to be investigated for future years.

NEW ACTION 29 - HF will add to requirements table what has been ruled out earlier, for example, the detailed forestry products requested by DEFRA.

6. AOB

GC said that James Gillan will want to discuss HMRC and GB data next week when he is visiting ONS Newport, and also agree provision of funds for NI boost.

Summary

Next meeting - end of Jan 2016 in Newport , and Purchases Survey team will consider the agenda to ensure there is value in stakeholders travelling (although it will still be possible to dial in to the main meeting).

New actions:

No.	Action	Owner	Progress
22	Hannah to check if UK and Import VAT are both available in HMRC data at business level to match with the IDBR.	Hannah Finselbach	
23	Hannah to investigate how to communicate potential future plans to correct volumes	Hannah Finselbach	
24	Hannah to include the sampling fractions when the minutes of this meeting is circulated to the group.	Hannah Finselbach	ONS Methodology are finalising the design and therefore final sampling fractions will be circulated to the Working Group in December 2015
25	Further discussions to be held to possibly split the manufactured gas question.	Katy Nicholls/ Rocky Harris	Complete
26	Amend Section C title to "Energy, water and waste" as suggested by RH, and update all other references within the questionnaire	Katy Nicholls	Complete
27	Circulate Excel question library to all stakeholders, and will discuss with James Gillan and Mairi who are in Newport 1 October.	Hannah Finselbach	Complete
28	All stakeholders to feed comments on the questionnaire to Katy by 2nd October	All	Complete
29	Hannah will add to requirements table what has been ruled out earlier, for example, the detailed forestry products requested by DEFRA.	Hannah Finselbach	

Actions carried forward:

No.	Action	Owner	Progress
11	Circulate report on RUs with LUs in different SICs to stakeholders	Katy Nicholls	
15	Follow up the infographic with the design team.	Hannah Finselbach	Ongoing
21	Hannah will investigate commissioning MD to review a Welsh strata. This will not be available for Year 1.	Hannah Finselbach	Ongoing
53	Find out the confidentiality requirements and share with the Stakeholder Group. Set up Data access agreements	Hannah Finselbach	Ongoing action - this is just a Northern Ireland issue
237	Hannah to compile and circulate a paper on the Accounts Management proposal for ONS businesses.	Hannah Finselbach	Ongoing

Closed actions:

No.	Action	Owner	Progress
1	<p>a) Investigate the possibility of using HMRC data to test product groups (exports by industry).</p> <p>b) To look at local list reporters and investigate the dominant SIC and other activity understanding</p>	Katy Nicholls	Action closed
6	During cognitive testing respondents should be asked if they are able to report data in volumes.	Hannah Finselbach	Testing completed. Places a large burden on respondents. Action closed
12	Share Scottish Regional Accounts report with Purchases team	Mairi Spowage	MS this is a particular issue for SG i.e Scotland RUs are different as combined LU's into Scottish RU. Will discuss with Mairi next week. Also the Scottish boost will be discussed. Action closed
13	Circulate plans for HMRC data use by Purchases	Katy Nicholls	KN had compiled a brief note about HMRC data use by ONS, and discussed some of the options for use, but it depends on what data we have access to i.e intrastat/extrastat data at RU level. There are some complexities but these are being pursued. Action Closed
14	Identify National Accounts' requirements in relation to volume data	Hannah Finselbach	Collecting volumes will be included as an ongoing requirement, and may possibly be added to the ONS website to inform the relevant industries that it may be a question on a future Purchases Survey. Sharon Dix is managing the Deflator Project, and HF will contact her, write up a note on this. Action closed.