

MEETING OF THE STATISTICS ADVISORY COMMITTEE
9th June 2016
McAuley House, 2-14 Castle Street, Belfast

In attendance

Mr Philip McDonagh (Chair)	
Mrs Sharon McNicholl	
Dr Chris Morris	
Mrs Esther Ervin	
Mr Richard Ramsey	
Dr Bernie Stuart	
Dr James Gillan	NISRA
Dr David Marshall	NISRA
Dr Tracy Power	NISRA
Miss Ruth Fulton	NISRA
Ms Deborah Lyness	NISRA
Mr Gerard Colgan	NISRA
Mr Seamus McErlean	DAERA

Mr Robin Griffith	NISRA, Secretary
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Item No.	Subject	Action
1.	<p>Welcome and apologies.</p> <p>The Chair welcomed everyone to the meeting, especially Mr McErlean who was attending to address a specific item on the agenda.</p> <p>Apologies were received from Mr John Compton, Mr Derek Bond and Dr Kieran Payne.</p> <p>Dr Marshall announced the appointment of the new NISRA Chief Executive, Ms Siobhan Carey. Ms Carey was formerly Chief Statistician at the Department for Business Innovation and Skills and will take up the post on 1 September. It is expected that Ms Carey will attend the next committee meeting.</p>	
2.	<p>Minutes and Matters arising from June Meeting</p> <p>The Committee agreed the minutes of the previous meeting (February 2016), subject to the correction of the meeting location.</p> <p>All actions from the previous meeting were recorded as complete, with the exception of section 9 action 2: Update of Northern Ireland Multiple Deprivation Measures (NIMDM).</p>	<p>Secretary to amend the minutes of the February 2016 meeting as noted.</p> <p>After Eurostat</p>

	<p>Referring to council boundaries Dr Power noted that Eurostat have yet to announce their decision on whether to recast NUTS 3 areas to match the new local government geography. Once that decision is announced Dr Power will write to Council CEs to inform them of the position.</p> <p>Dr Power confirmed the consultation on Output Geography for Deprivation was closed and will be announced week commencing 13th June.</p>	<p>decision on NUTS 3 Dr Power to write to Council CEs advising them of their position</p>
<p>3.</p>	<p>Chair's Business</p> <p>Mr McDonagh summarised the contents of the future work programme circulated since the previous meeting. This contained several key elements:</p> <ul style="list-style-type: none"> • The committee to meet Feb, June and Oct • The agenda to be divided between statutory and non statutory issues • Each meeting to include a briefing on topical issues • Business representatives to be invited to every 4th or 5th meeting • The committee to invite one of the lead analytical representatives from each of the new government departments to each meeting <p>Mr McDonagh itemised the forward meeting programme for October:</p> <ul style="list-style-type: none"> • SAC to invite Stephen Donnelly, head of Statistics for DOE • SAC to invite business representatives <p>The future work plan for the October meeting to be circulated to committee members</p> <p>Mr McDonagh also advised committee members that he is required to undertake a mid-term review with members who were appointed in June 2013. It is anticipated this will take the form of a short coffee meeting with individual members.</p>	<p>Secretary to structure October agenda to separate statutory and non statutory issues</p> <p>Secretary to circulate future work plan to committee members</p> <p>Chair to undertake member mid-term reviews</p>
	<p>Bean Review of Economic Statistics</p> <p>Dr Marshall updated the committee on the Bean Review of Economic Statistics highlighting three main issues.</p> <ol style="list-style-type: none"> 1. Weaknesses in ONS's measurement of the economy 2. ONS's inability to cope with emerging data sources and technology 3. Weaknesses in the ONS governance framework <p>Dr Marshall further noted that issues raised by himself and Dr Gillan when meeting Sir Charles Bean and by the committee in its official response were accepted by the Bean review.</p> <p>The final Bean review was published in March and accepted by the government on the day of publication. The UKSA has yet to accept all recommendations.</p> <p>While the primary focus was at the UK level, a number of specific challenges are also applicable to NISRA. These include:</p> <ul style="list-style-type: none"> • Inadequate measurement of disruptive industries e.g. Airbnb, Uber, 	

	<p>etc.</p> <ul style="list-style-type: none"> • The need to move away from a statistical “factory floor” approach and towards a more flexible and innovative model • The need to build greater technical expertise including data science capabilities – Dr Marshall further commented this was an area NISRA is already exploring • Greater administrative data sharing • Further user engagement <p>Mr McDonagh put the subject to the committee for discussion.</p> <p>The disruption caused by new online companies such as Airbnb in the local bed and breakfast market was noted. It was further noted that while an official tourism register exists in NI, it is currently unclear in law whether this applies to Airbnb. This has potential implications for the quality and coverage of tourism statistics.</p> <p>Dr Marshall closed by summarising the challenges for NISRA including:</p> <ul style="list-style-type: none"> • NISRA is a small agency relative to the ONS • Recent personnel constraints, including 10-15% staff cuts in 8 months prior to meeting • No proposed increase in Westminster financial provision • High demand for current NI statistics • The constraints on NISRA as a devolved body to control for all issues 	
	<p>ONS Consultations</p> <p><u>ONS Consultation on Country and Regional Public Sector Finances</u></p> <p>Dr Gillan updated the committee on the progress of the ONS consultation on country and regional public sector finance statistics. The committee submitted a response to the consultation.</p> <p>Following the consultation the ONS accepted that the publication of regional public sector finance statistics was a good idea and committed to taking these plans forward.</p> <p>Dr Gillan commented that NISRA will continue to co-ordinate with the ONS to encourage adoption of issues of interest to NI users including:</p> <ul style="list-style-type: none"> • Financial <i>and</i> calendar publications • Potential for quarterly publication • Publication of data below NUTS 1 • Capital expenditure statistics for devolved administrations <p>Mr McDonagh put the subject to the committee for discussion</p> <p>In response to a query from Mr Ramsey, Dr Gillan confirmed the ONS intend to publish in 2017. Further work on methodology is currently ongoing and issues have been identified around apportionment of regional data.</p>	

	<p><u>ONS Consultation on Economic Statistics and Analysis Strategy</u></p> <p>Dr Gillan updated the committee on the ONS Economic Statistics and Analysis Strategy (ESAS), which has been published for comment until 30 June. Dr Gillan further noted this presented an opportunity for the committee to respond.</p> <p>It was noted that the ESAS was an attempt by the ONS to address issues highlighted in the Bean Review and that NISRA should seek to dovetail with the ONS agenda.</p> <p>Dr Gillan went on to draw attention to specific issues of interest to NI raised in the ESAS, in particular the ONS' intent to enhance the quality of sub national statistics. This includes a proposal to publish a balanced measure of regional GVA by 2-digit SIC at NUTS2 in both real and nominal terms.</p> <p>Dr Gillan also announced a planned joint NISRA/ONS presentation to take place on 23 September in parliament buildings, Stormont. This is a stakeholder engagement event to which the committee are invited.</p> <p>Mr McDonagh asked the committee if they felt they should respond to the consultation.</p> <p>Mrs McNicholl commented that it may be helpful to have ONS statisticians embedded in NI. Dr Power confirmed ONS would not seek to embed in NI.</p> <p>Mr Ramsey enquired if the ESAS would cover regional consumer spending, and whether it would fill in some gaps in current regional data available for food and living costs. While the ESAS does not address the issue of regional consumer spending Dr Gillan explained that ELMSB currently have two projects with the ONS; the Quarterly Living Costs and Food Survey, which has recently received a boost to the NI sample element and examining the potential for a NI Disposable Income Measure</p> <p>Dr Gillan also explained NISRA aim to develop the inputs required for quarterly GDP. This includes the publication of greater industry detail from the IOS and the above exercise to investigate whether it will be possible to get more frequent GDHI data for NI.</p> <p>Mr McDonagh asked Dr Gillan to prepare a response to the consultation on behalf of the committee.</p>	<p>Dr Gillan to draft response on behalf of Committee to consultation on Economic Statistics and Analysis Strategy</p>
<p>4.</p>	<p>NISRA Economic and Labour Market Statistics</p> <p>(a) Statutory issues</p> <p>Ms Lyness provided the committee with an overview of statutory issues affecting ELMS. The ONS have requested that an NI sample is incorporated into the Services Turnover Survey (STS). The STS is a statutory survey in Great Britain. The ONS are requesting that the NI sample component should fall under the Statistics of Trade and Employment (Northern Ireland) Order 1988.</p>	<p>Ms Lyness to circulate a copy of</p>

<p>The STS is a biennial survey and currently published as a UK series without NI data. The assumption is therefore that NI firms are operating in the same manner as GB firms. The proposed NI sample size is 400-500. The STS will also expand its coverage from business-to-business to business-to-all. Services information has been identified as a gap in the Bean Review and as a growing user need in NI. The NI sample will have an estimated compliance cost of £20,000 per year.</p> <p><u>Decision: Following discussion the committee determined that the NI sample of the Services Turnover Survey is eligible to be issued under Article 5 of the Statistics of Trade and Employment (Northern Ireland) Order 1988.</u></p> <p>Mrs McNicholl enquired if there was a specific time period for the issuance of forms which was preferred by businesses. Mr McDonagh commented that this should be raised with business representatives at the October meeting.</p> <p>(b) Non-statutory issues</p> <p>Ms Lyness updated the committee on the proposed use of HMRC VAT turnover data. The ONS intention is to replace parts of the UK Monthly Business Survey (MBS) with administrative data. However the pace of development on this has slowed to align with a 2 year programme of system development and to some degree due to concerns around Scotland's requirement to produce quarterly GDP figures from the MBS. ELMS will continue to work closely with the ONS to ensure NISRA obtain access to the NI data.</p> <p>Ms Lyness also updated members on ELMS intention to publish exports and external sales split by goods and services. This will help inform ongoing ONS work.</p> <p>Mr Colgan updated the committee on the progress of the ONS Purchases Inquiry. Forms were dispatched in February and May. The current response rate is 20.6% for the NI sample element. The ONS plan to publish provisional results in November, with final results in February 2017.</p> <p>Mr Colgan also updated the members on the ONS review of the classification of Social Housing. Social housing is currently recorded in the private sector for statistical purposes, however following ESA 10 it may be reclassified as a public corporation.</p> <p>Mr Colgan informed the committee that the UK Low Carbon and Renewable Energy Economy survey is currently in field. It is suggested that the committee may wish to consider whether they require a statutory, or more general, update for future meetings. Mr McDonagh determined this matter could be discussed at the next SAC meeting.</p> <p>Mr Colgan also notified members of a 10% boost to the Labour Force Survey sample from Q2 2016. The committee was provided with a summary of the progress of the EDC roll out.</p> <p>Mr Colgan updated the committee on the progress of NI Economic Accounts. In</p>	<p>the STS form to SAC members when available</p> <p>Mr Colgan to organise a User Group for Economic Accounts after the September Economic Forum</p>
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<p>5.</p>	<p>DAERA proposal to make Milk Processing surveys statutory</p> <p>Mr McErlean updated the committee on the Milk Price and Production survey and the Milk Utilisation survey. Both surveys are currently voluntary, however the data collected are used to meet EU requirements. Mr McErlean indicated that while this system is currently working well in GB they have encountered difficulties in NI data collection. Of the small number of firms sampled, 6 large firms are responsible for the majority of total output. 2 of these 6 have been consistently late in the provision of data and 1 fails to reply each year.</p> <p>Mr McErlean noted that DAERA have contacted these companies to encourage response, with limited success. Dairy UK (the main industry body) has also been contacted and has lobbied the companies on their behalf. This has also had a limited impact. Not all of the 3 companies are members of Dairy UK.</p> <p>DAERA reserve the right to prosecute the companies but hope this will not be necessary. The burden on business is approximately £2,000.</p> <p>Mr McDonagh thanked Mr McErlean for his clear presentation of the issues and put the subject to the committee for discussion.</p> <p>In discussion Mr McErlean noted that companies have indicated they will respond under the Order. Furthermore, the latest EU legislation places the emphasis on firms, however local legislation is required. It was further noted that since the end of the milk quota data in March 2015 these data have become even harder to acquire.</p> <p>Mr McErlean explained that the form is complicated and while firms recognise the survey's importance they tend to delay their response. It was also confirmed that only dairies and not producers would be affected by the committee's decision.</p>	

	<p>Mrs Ervin noted the farming industry is subject to a lot of red tape and farmers comply because payments and grants will be withheld if they fail to do so. Mrs Ervin enquired if milk processors receive similar payments and grants. Mr McErlean commented that milk processors do receive grants, but it would not be appropriate to link grant payments to survey responses.</p> <p>Mrs Ervin further noted that if milk processors fail to comply it could potentially disadvantage milk producers and enquired if it would be possible to send statisticians out to the firms to help complete the forms. Mr McErlean confirmed that offer had already been made and had been refused by the companies.</p> <p><u>Decision: Following discussion the committee determined that the Milk Price and Production survey and the Milk Utilisation survey are eligible to be issued under Article 5 of the Statistics of Trade and Employment (Northern Ireland) Order 1988.</u></p>	
<p>6.</p>	<p>Programme for Government</p> <p>Dr Power updated the committee on the Draft Programme for Government (PfG) Framework. The Programme for Government is currently open for consultation until 22 July 2016. Dr Power noted that the development of the draft PfG has included an unparalleled level of involvement by NISRA statisticians.</p> <p>The Programme for Government consists of 14 strategic outcomes, supported by 42 indicators, each of which is itself supported by a statistical measure. Nine of the measures will require statisticians to develop new data sources. Good datasets exist for many of the rest.</p> <p>Dr Power indicated that NISRA will play a key role in determining what constitutes real change and will resist any attempts to imply improvement where the data don't support it.</p> <p>Mr Ramsey noted that the PfG indicators are light on energy specific measures, these being incorporated into wider economic measures.</p> <p>Mr McDonagh welcomed NISRA's contribution to the PfG as well as the recognition of the importance of statistics to the process and enquired if this created any resource implications. Dr Power confirmed the data development process has resource implications. There will be no immediate replacement of staff lost during the Voluntary Exit Scheme, however centralisation should help to prevent further cuts and place NISRA on a more stable footing.</p> <p>Mrs McNicholl noted that from the perspective of local government, commonality between community plans and the PfG is important. The emphasis should be on shared goals and any approach should be data informed and aim to consistently measure performance differences across NI.</p>	

<p>7.</p>	<p>Official Statistics</p> <p>Dr Power provided a summary of official statistics issues, noting in particular that the NI Retail Property Price Index is being assessed in conjunction with the new UK Housing Price Index.</p> <p>The committee noted the reported breach of the Code of Practice which has occurred since the February meeting.</p> <p>Full details of this breach are published on the Authority’s website.</p> <p>Dr Power noted the current stock take of the Code of Practice and observed that in light of the Bean Review of Economic Statistics that this is likely to be a more in depth analysis than previously indicated.</p>	
<p>8.</p>	<p>Date of next meeting</p> <p>It was proposed and agreed that the next meeting of the committee would take place on Thursday 6 October.</p> <p>The venue of the next committee meeting is proposed to be PwC Waterfront Plaza. These details are to be confirmed with Mr John Compton.</p> <p>Date for the February committee meeting to be confirmed. Based on feedback from the committee the first and last weeks are preferable and the half term period is to be avoided if possible.</p> <p>AOB</p> <p>Dr Gillan noted he had been contacted by NICVA and invited to attend an event to mark the close of the Centre for Economic Empowerment (CEE) in Mid August. The event is to be chaired by John Campbell and the Committee will be circulated details of the event.</p> <p>Mrs Ervin commented on the subject of universal credit and the effect it will have on farmers. A useful statistic would be the number of farmers currently in receipt of working tax credits.</p>	<p>Secretary to confirm details of October venue with Mr Compton and date for February Meeting</p> <p>Secretary to circulate details of CEE event</p> <p>Dr Power to confirm whether number of farmers currently receiving working tax credits is available</p>