

DINNER/DISCUSSION SUMMARY

Statistical advice and the process of policy development and drafting of legislation

Held at The Royal Society on 29th October, 2008

We are grateful to the Department for Innovation, Universities and Skills, the City & Guilds of London Institute and the Economic and Social Research Council for supporting this meeting.

Chair: **The Rt Hon the Lord Jenkin of Roding**
President, The Foundation for Science and Technology

Speakers: **Sir David Omand GCB**
King's College London
Professor Adrian Smith FRS
Director General of Science and Research, Department for Innovation, Universities and Skills
Sir Gus O'Donnell KGB
Cabinet Secretary and Head of the Home Civil Service

SIR DAVID OMAND outlined the work of the Better Government Initiative (BGI); it was non-partisan and concerned, not with political choices, but with the processes of formulating policies, their legislative enactment and implementation. In its report "Governing Well", it had recommended more thorough Parliamentary scrutiny, and better preparation of papers, both for public understanding and cabinet decision. Both Government and opposition were picking up these ideas, but much more needed to be done. In particular, policy modeling must be rigorous, crucially involving those who had to deliver the policy. If democracy is to function politicians must take the eventual decisions, (going "offshore" to give decision making to non-elected bodies can erode accountability), but they should ensure that professionals - civil servants and others, such as professional bodies with special expertise, academics and deliverers - assessed the evidence and formulated models, looking at all the levels which Government had to achieve its aims, such as tax, regulation, communications, contracts. Dangers are poor data, false assumptions, often based on past data, which may not apply to the future, and rushed decisions. Fully explanatory models which examine both assumptions and data are essential. Public documents should expose the aim of policies, the evidence and assumptions lying behind them and their likely costs. There should be enough information available to the public for the success of the policy to be judged. So legislation should not be introduced unless necessary (no "declaratory" bills), fully considered and complete. MPs should be able to understand the aim of the policy, how it is to be evaluated, why alternatives were not chosen, and how delivery is to be undertaken.

PROFESSOR SMITH said statistics should inform the development of policies and monitor their effectiveness, taking into account the interests of the Government, Parliament and the public. So they must be accurate, appropriate, timely, independent (not subject to fiddling for political advantage), relevant (reflect the perceptions and local experience of the public - e.g. national crime statistics are irrelevant if you live either in Toxteth or Cheltenham), and transparent (the sources of the data and the analytical tools used should be clear). They must also be "interpretable" (see the problems on the

definition of "violent crime"). Statistics influenced NHS and schools policy, but the limits of their utility must be recognized - there will be inevitable gaps in coverage, accuracy and relevance, and they will not map societal and individual behavior - no use of statistics will show you how to stop knife crime. Statistics need to be interpreted for policy making, but statistical interpretation (e.g. on accuracy) must be separated from political judgments. Abuse occurred if used selectively or withheld. Recent improvements should strengthen trust - by making clear the distinction between statistics and policy formulation, more professional independence, more focus on local statistics and restricting pre-release disclosure. The UK Statistics Authority was a major step forward; it would oversee the Office for National Statistics, and monitor, report and assess all UK official statistics. Such work should improve the perception of, and trust in, official statistics. Because collecting statistics was expensive and took time, programmes such as the Birth Cohort study and the possible Government Office for Science Horizon Scanning project would help to understand future needs.

SIR GUS O'DONNELL said the work of the BGI was of great value. He strongly supported evidence based policy, but this did not exclude the need to persuade the public of the desirability of a policy - which meant dealing with public perceptions fed by the media. For example, if you believed in climate change, you had to persuade people to alter behavior; if you wanted to improve health you had to persuade people to want to adopt a healthier life style. Government had always interfered with individual choices and lifestyles - e.g. on schooling - the question was how far, not whether, it should. What mattered was what would work, and whether evidence had been used and properly evaluated. Departmental capability reviews should, over time, show whether departments were improving. He stressed the core values of the civil service; but objectivity implied both understanding how to use data and how to analyze it. The service needed greater professionalism, so that specialists such as economists and statisticians were involved and used in the formulation of policy. Sir David had pointed out what might go wrong, but he attached most importance to

understanding how policy issues interlinked - e.g. how the present economic crisis affected not only monetary and financial policy, but also jobs and housing - and how events might affect outcomes. It was always possible that doing nothing would have had the same effect as implementing a policy, and not to claim credit falsely. It was often right to say – (e.g. on the effect of migration on jobs) “we don't know”. It was important to understand that the public did not now get information only through the traditional media, but through the web and other sources, and this opened the opportunity for Government to interact directly with citizens, in similar ways to how Sainsbury's and mobile phone operators knew what their customers wanted through their transactions. Certainly there was little trust in politicians or Government pronouncements, but statistical improvement and better use of communications so they reflected local needs and issues should help.

Karen Dunnell, Chief Executive for the Office of National Statistics said that, in her view, there were three challenges for statistical policy. First the office should not only collect and analyze statistics, but should also be involved in scenario planning; second to maintain the standards and quality of statistics while using administrative systems for collection; and third, to consider whether, and how, to use, maintain or improve decentralized systems of collection.

In the following discussion, a number of speakers questioned the distinction between the collection of data and its interpretation. The report from the Science and Technology House of Commons Select Committee had recommended that not only a summary of the evidence but also how it had been evaluated should be made public; but this had been rejected on the grounds that it would make public official advice to Ministers. But it was this refusal to demonstrate how judgments about the value of evidence were made that went to the heart of public mistrust of Government policies. Problems also arose because Ministers used statistics misleadingly by adopting politically desirable base lines, so that, although the figures were correct, the interpretation was only one of a number of options. Who decided that a particular start point should be used? Who had made the judgment? Should that not be public knowledge? It was all very well to say that the collection of data and its interpretation should be kept separate, but Sir Gus had stressed the need both for professionals (such as statisticians) to be involved in policy formulation, and for non-professional civil servants to have a numerical understanding. Who then evaluated the evidence?

Other speakers suggested that there were concerns about the emphasis that both Professor Smith and Sir Gus laid on the ability to use much greater disaggregated and personal information. Clearly there were great advantages in a detailed understanding of what members of the public wanted and thought; and knowledge of their circumstances and how they could be helped. But references to “personal data sets” raised great concern about privacy and Government use of information. It was one thing for Sainsbury's to know, through Nectar card use, how much wine you had bought; it was quite another for the government to have equivalent information and be able to use multiple data sources to link it with other material. Such risks, however, could be minimized both by better security within Government on the use of information, more effort in persuading the public of the value to them of the Government having such information (not

impossible, but there were lessons to be learnt from the failure of policies such as GM foods and identity cards to persuade the public that they were the beneficiaries, not just the government), and collaboration with the Information Commissioner's Office (ICO)

Speakers endorsed Sir Gus' emphasis on the “counterfactual” - what would, or might, happen if different (or no) policies were adopted. This was linked to the lack of knowledge about human behavior, and how people would react to policies (more information about what people wanted, or personal data sets might reduce this). This should be part of all policy making and the assumptions behind reactions spelt out in public documents. It should be a key function of Government, as the BGI recommended, for the evidence for a policy, the assumptions behind it, the alternatives which had been considered, and the criteria for evaluation of success, to be produced. But it would be unrealistic to suggest that there were not limitations on the use of evidence and the political imperatives which drove policies forward. There was, for example, the time factor. Perhaps randomised testing or piloting would be desirable before a policy was introduced, but this might take five years, or complaints about why some areas had been chosen for piloting and others had to wait. But the pressure was on Ministers to act now, and comprehensively. No time cycle was ideal, and evaluation must take account of political acceptability. But Government needed both to be able to access the information it has and manage such information. Its activities are not comparable to science, but that is not a reason why, as in science, the results of its policies cannot be evaluated and flaws and success identified. As in science, it was impossible to ensure that all assumptions had been identified before decisions were taken - notably the assumption that people would react as they had reacted in the past, or assumptions that the formulator derived from his own past (the WMD dossier might be an example of such assumptions) but a knowledge that such assumptions might be present, should be built into all policy making.

Finally, there was concern about the effect of devolution on statistical work. Already Scotland was considering different programmes, and, of course, as statistics served policy making, and policies in Scotland might be different, some divergence would arise. But it was important to preserve as much of the present structure as possible, both because smaller units gave rise to different problems, and also because changes in sets of data made it difficult to track movements and trends over time.

Sir Geoffrey Chipperfield KCB

Presentations from the meeting are on the Foundation web site at www.foundation.org.uk.

Web links:

Better Government Initiative:

www.bettergovernmentinitiative.co.uk

City & Guilds of London Institute

www.cityandguilds.com

Department for Innovation, Universities and Skills:

www.dius.gov.uk

Economic and Social Research Council

www.esrc.ac.uk

The Foundation for Science and Technology:

www.foundation.org.uk

Office for National Statistics:

www.statistics.gov.uk

UK Statistics Authority:

www.statisticsauthority.gov.uk/about-the-authority/index.html