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Deputy Mézec
Corporate Services Scrutiny Panel
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11 November 2022

Dear Deputy Mézec

Corporate Services Scrutiny Panel Government Plan Review 2023 - 2026

I am responding to your letter to me of 26 October in relation to 'Statistics Jersey Capacity' for which it is proposed in Government Plan 2023-26 to allocate an additional £318k per year to Statistics Jersey.

I wrote the relevant part of the Government Plan Financial Annex. I hope this is clear as to the reasons for this request, which fall into two parts:

1. Addressing a persistent shortfall in the funding of Statistics Jersey which would otherwise have required reductions to the Official Statistics published by Statistics Jersey
2. Capacity to start to build a team to do statistical development work

1 - Funding shortfall

When I became Chief Statistician in January 2021, I inherited a funding shortfall for Statistics Jersey which was covered in 2021 and 2022 by underspends elsewhere within SPPP. However, this is not a sustainable position and my business case sought to align the resources and outputs for Statistics Jersey – either to scale back the outputs to live within the budget, or to increase the budget to maintain the existing statistical outputs. The 2022 budget shortfall is £173k

Statistics Jersey has 8.5 Full Time Equivalent (FTE) staff producing official statistics (see list of outputs in Annex 1). Living within the existing budget would have meant removing two of these posts and would have meant:

- Stopping the Business Tendency Survey (BTS)
- Carrying out the Jersey Opinions and Lifestyle Survey (JOLS) only every two years (and not running it during 2023), and
- Finding further reductions for 2024 onwards.

Ministers agreed that these outputs were important to maintain and agreed to fund the shortfall, but to mitigate this by making BTS six monthly rather than quarterly for 2023 onwards, at an annual saving of £15k.

The Economy Department within Government of Jersey is the primary user of BTS, although the results are, of course, published and made available to all users. Such 'pulse' surveys could be conducted by the private sector and are sometimes run by trade groups in other jurisdictions. I therefore had no objection in principle to BTS becoming six-monthly as the Economy Department were satisfied that this frequency would still meet their needs.

2 - Statistical Development Capacity

Since I joined Statistics Jersey in January 2021, the team have been flat out producing business-as-usual outputs in line with the Statistics Jersey release schedule alongside the 2021 Census and the Living Costs and Household Income Survey (LCHIS) [Publication release schedule (Statistics Jersey) (gov.je)](). There has been no capacity to update existing methods, nor to develop new outputs. Statistics Jersey have been largely unable to respond to new requests from within and outside government.

Without any development resource the quality of statistical outputs goes backwards. We will be unable to keep up to date with new international standards, will not be able to improve the methods of existing outputs, and can not respond to changing demands as the economy, society and the needs of government and the States Assembly change. Statistics Jersey has, for instance, been able to update employment data to the latest (2007) Standard Industrial Classification (SIC), which contains more details for the digital economy. However it has not been possible to move the estimates of Gross Value Added to the latest SIC; this makes calculations such as GVA per employee problematic.

The appropriate size of a Statistical development team is a judgement call. GP23 allocates £160k per year which will allow Statistics Jersey to recruit an additional 2.5 FTEs. With this resource our priorities for 2023 are to:
- Review the Retail Price Index production process – this is currently based on linked spreadsheets which require disproportionate manual checking to ensure no errors are made
- We will also use the 2021/22 Living Costs and Household Income Survey to update the content and weights for the RPI 'basket of goods' which are currently based on 2014/15 spending patterns. The new weights will go live in December 2023
- Produce experimental quarterly Gross Value Added estimates based on data already held by government (the current GVA results are annual)
- Produce experimental all-economy Gender Pay Gap statistics based on data already held by government

The development resource funding for 2023 allows Statistics Jersey to create a new leadership role for statistical development and to recruit to two junior posts. Currently major projects create a leadership contention with business-as-usual outputs – we can't do both at the same time. The lack of a development leadership post contributed to the first 2021 Census results being five months later than a decade earlier. The analyses of the curtailed 2019/20 LCHIS was originally promised at the end of 2020 but could not, in practice, be published until April 2022.

Wider Scope

You have asked me to 'provide comments and views in relation to the Government Plan'. I note that the Terms of Reference for the review include 'Does the Government Plan align with the objectives of the Common Strategic Policy and aims of the Ministerial Plans?

Common Strategic Policy

The CSP includes in its Annex 2 ('Monitoring and Impact') that 'We will monitor the impact we make by drawing in particular on the indicators in the Jersey Performance Framework, which are based on what people said was important to them in Future Jersey.' The inclusion of such indicators in the CSP is an innovation. Most of the indicators already exist as Island Outcome Indicators, but some of them (e.g. Reduce gender-based violence) will require indicators to be developed.

My team is responsible for reporting Jersey Performance Framework data – this covers both the Island Outcome Indicators (measures of sustainable wellbeing) and the Service Performance Measures (in-year departmental performance). More detail is given in Annex 2 for information.

Ministerial Plans

In my Chief Statistician role I am pleased to see the recognition in the Ministerial Plans of the need for data to make informed decisions, along with multiple references in Ministerial Plans to the need for statistics and data (see Annex 3).

Whilst I am supporting some of these initiatives already (e.g. CM1 and CM2) plans for other improvements will need time to develop. Many departments have statistics and analytics teams and, subject to capacity, Statistics Jersey and I are available to support ministers and departments on data and statistical issues.

The secure sharing of data between departments for both operational use and for production of statistics is commonplace in many other jurisdictions. The Nordic countries, for instance, have been doing this since the 1960s. Such an approach has the potential to support, for instance, CM1, CM4, CM9, MHSS6, and MHC4. This will require assurance to Islanders about the security and confidentiality of their data, as well as improvements to IT systems. Whilst retaining robust data protection arrangements it should be possible to streamline the paperwork that supports these arrangements.

<u>Admin data linkage</u>

Statistics Jersey has Covid Health Recovery funding for 2022 and 2023 to link together data held by government (including data held by Statistics Jersey) to understand the impacts of Covid-19 on Public Health and to support Public Health colleagues' targeting of public health interventions.

This secure and confidential data linkage work has the potential to also provide statistics to better understand the size and characteristics of Jersey's population, and migration flows. By following anonymised individuals over time it should be possible to produce aggregated statistics on, for instance, the proportions of migrants who remain in Jersey after a number of years by characteristics such as age and ethnicity. It should also be possible to produce statistics on the industry that a migrant is working in compared to the industry they joined on arrival in Jersey. This admin data linkage work has the potential to produce more robust population estimates and provide the basis to produce other longitudinal and in-depth analyses.

We plan to produce some experimental outputs from this new approach during 2023 to hopefully demonstrate the potential benefits. It will be for government in Government Plan 2024 to decide whether to continue to fund this project.

Yours sincerely

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Annex 1 – Statistics Jersey outputs

Economic Statistics

- Covid support (quarterly)

- RPI (quarterly)

- Business Trends Survey (currently quarterly)

- Actively Seeking Work (quarterly)

- House Price Index (quarterly)

- Labour Market (June & December)

- National Accounts (annually)

- Index of Average Earnings (annually)

- Energy Trends (annually)

- Telecoms Statistics (annually)

- Survey of Financial institutions (annually)

- Purchasing Power Parity (about every 6 years)

Social Statistics

- Census (decennial)

- Jersey Opinions & Lifestyle Survey (annually)

- Children and Young Persons Survey (every 2 years)

- Living costs & Income survey (every ~4 years - last was in 2014/15. 2019/20 curtailed due to Covid). Provides the data for:

    - Income Distribution analyses

    - Expenditure analyses

    - Update to RPI 'basket of goods' and weights

- Population estimates (annually)

- Population and household projections (about every 5 years)

- Better Life Index (every two years)

Annex 2 - Jersey Performance Framework

The Jersey Performance Framework includes:

A. The Island Outcome Indicators (Sustainable Wellbeing Indicators).
B. The departmental Service Performance Measures and

My team and I are responsible for maintaining the data in these measures and indicators

A - Island Outcome Indicators

The Public Finances (Jersey) Law 2019 requires that, when **preparing the government plan, the Council of Ministers must take into account the sustainable well-being** (including the economic, social, environmental and cultural well-being) of the inhabitants of Jersey over successive generations. It must also set out in the government plan how the proposals in the plan take that sustainable well-being into account.

The Island Outcomes and Indicators are the long-term measures in place to assess sustainable wellbeing; they were informed by the 'Future Jersey' engagement with Islanders in 2017-18. Islanders identified ten priority themes with indicators for each priority area. The original set of about fifty indicators were expanded to around 190 indicators in 2020.

My team are starting a review to ensure that the indicators are relevant to the priority themes and to also investigate improvements to how the data is presented so that it is easier to draw messages and conclusions, and to support decision making.

B - Service Performance Measures

The Service Performance Measures track in-year whether departments are meeting the targets they set themselves. I am carrying out a review to focus the measures on those that are relevant and meaningful to Islanders – this will mean fewer service performance measures in the 2023 Ministerial Plans, and consequently fewer measures published quarterly. There are expected to be only minor changes for measures for departments who provide services to Islanders (e.g. by CYPES, JHA, HCS etc). The biggest reduction in number of measures will be in the more internally focused departments (e.g. COO, OCE and SPPP).

Annex 3 - References to data in 2022 Ministerial Plans

- CM1 – 'An action plan will be developed to improve the range and accessibility of data and information across Government…'
- CM4 - 'tasking officials to develop intelligent integrated government data insights to support robust decision making, and adoption of the Statistics Code of Practice to build a culture of trust, quality and value in the production and release of government data.'
- CM9 – 'providing resources to collect accurate and timely statistics on populations trends including migration and immigration volumes and analysis'
- MCE2 – 'implementing new data and recording systems to improve measurement [of children's wellbeing and mental health], monitoring, and improvement to performance standards, towards an annual report from 2023.'
- MEDTSC2 – 'tracking Jersey's progress via regular questions to industry to be included in Statistics Jersey's Business Tendency Survey.'
- MHSS1 – 'oversee and account for the performance of the service and publish audit and information, data and evidence necessary to understanding and driving up standards of care'
- MHSS2 – 'prioritising the development of the data and evidence needed to understand service capacity and demand, plan improvements and monitor the effectiveness of the Jersey health system and health services.'
- MHSS6 – 'This information will form part of a wider Jersey Strategic Needs Assessment, to be developed over coming years, which will combine Islanders' views about the services they want to support them, routine data sources on health trends and best evidence internationally on what works in practice.'
- MHSS7 – 'Recommendations will be informed by a forthcoming Health Protection Review. New arrangements will also be put in place to improve data on infectious diseases (surveillance) and to enable Government Department and external organisations to work even more closely together when necessary'
- MHC3 – '….ensure our most vulnerable Islanders are able to access the right help at the right time, as part of a whole-system response, and improving the visibility of homelessness in Jersey using improved data.'
- MHC4 – 'implementing a housing data intelligence project to improve visibility and understanding of housing trends, and work collaboratively with others to unblock challenges with administrative data sharing in order to better understand the Island's housing market and make better decisions.'
- MTR7 – 'implementing measures to ensure that, from 2023, all financial crime agencies will regularly report data on their effectiveness which drives national policy.'