

Review of statistical priorities at Statistics Netherlands

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Discussion paper (201107)



Explanation of symbols

.	= data not available
*	= provisional figure
**	= revised provisional figure
x	= publication prohibited (confidential figure)
—	= nil or less than half of unit concerned
—	= (between two figures) inclusive
0 (0,0)	= less than half of unit concerned
blank	= not applicable
2010–2011	= 2010 to 2011 inclusive
2010/2011	= average of 2010 up to and including 2011
2010/'11	= crop year, financial year, school year etc. beginning in 2010 and ending in 2011
2008/'09–2010/'11	= crop year, financial year, etc. 2008/'09 to 2010/'11 inclusive

Due to rounding, some totals may not correspond with the sum of the separate figures.

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Review of statistical priorities at Statistics Netherlands

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Summary: Statistics Netherlands has started a process to review the statistical priorities. The demands of society change, but budget restrictions and the desire to reduce administrative burden do not allow increase of staff or surveys. Therefore, negative priorities are needed. A working group, chaired by the chief statistical officer and with members of the statistics divisions, was asked to assess proposals that were put forward by the statistics divisions. In order to try and objectify the comparison of the proposals, an assessment model was developed in cooperation with external consultancy. This paper describes the approach of the process.

Keywords: review of priorities, statistical programme

1. Introduction

In the course of 2010, Statistics Netherlands has embarked on a process of reviewing the priorities in the statistical programme. In this paper, the process is outlined.

2. Outline of the process

The immediate cause for reviewing the priorities was a request by the CCS (Central Committee on Statistics), the board that oversees the work of Statistics Netherlands, to examine the possibility and desirability of adaptations of the statistical programme. The aim is to fulfil the needs of society (in present and nearby future) as good as possible, while staying within budget. As extra resources are not available, part of the current statistical programme need to be stopped or reduced in order to reallocate the capacity for new work.

Responding to the request of CCS, the board of directors at SN asked the directors of the three statistics divisions to put forward proposals for reductions in the current statistical programme, amounting to 10% / 20% of their budget (or fte).

Statistics divisions have scrutinised their programmes and put forward proposals for reductions. Most proposals put forward to cancel (part of) a statistic or reduce detail, quality and/or frequency. The main criteria are the relevance for, and impact on society, the practical feasibility, and the necessity (e.g. national and EU regulations) of the statistics in question.

3. Assessment model for reviewing statistical priorities

To enable the comparison of all proposals, a measure is needed to indicate the desirability and feasibility of executing the proposals. Therefore, an assessment model for reviewing the priorities has been developed in cooperation with external consultants.

This assessment model consists of a number of questions with which we try to objectify the relevance for society of a specific set of statistics. Other questions within this model consider other costs and benefits (e.g. reduction of staff costs, reduction of administrative burden) of the statistic in question. Furthermore, the feasibility is assessed by considering the legal context (such as Eurostat regulations) and other obligations (see section 5).

Experts within the statistics divisions have answered all questions of the assessment model. To each question, a score was attributed, depending on the answer. The working group that was established for reviewing the priorities (chaired by the chief statistical officer and with representatives from the statistics divisions) scored all questions based on the answers provided. This process resulted in a ranking of the proposals for reduction.

4. Decision process

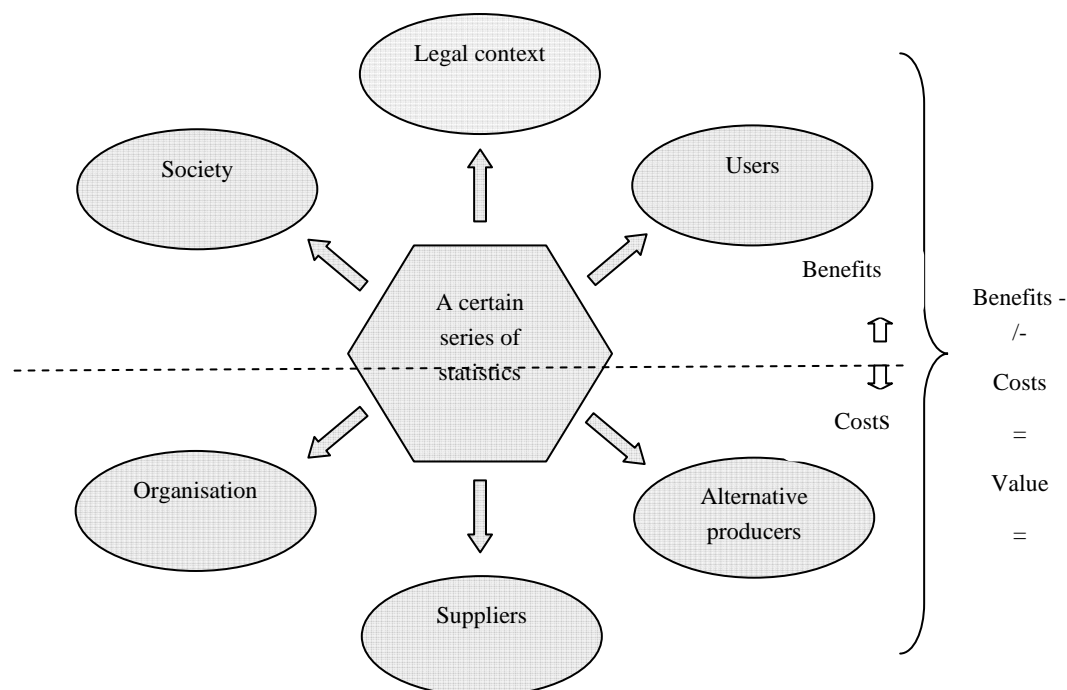
A definitive decision on the extent of the review of priorities has not yet been taken. A point of consideration is the possible additional budget cuts which might be imposed on SN. Part of the proceeds of the prioritisation process might be needed to compensate for these budget cuts. Furthermore, proposed reductions should be balanced against proposals for new statistics, which for their part should also be confronted and scored with the same framework for priority setting. In the course of 2011, a new multi annual working programme for SN will be developed. Actual priority setting is therefore expected to take place in that context.

5. Assessment procedure¹

5.1 Framework

The following framework has been used as basis for the assessment model for the proposed review of statistical priorities at Statistics Netherlands.

¹ Developed in cooperation with P. van Gennip, N.R.J. de Blaay, and P.H.M. van den Broek of Berenschot.



The **legal context** is the basis for the execution of the tasks of Statistics Netherlands. Here the legal context is defined as obligations to make certain statistics. These may be legal requirements at both European and national level, or private law contractual obligations. The presence of a legal obligation does not mean that the priority of a certain series of statistics cannot be reassessed. Even if they are obligatory under law or under a contract, there may be reasons to reassess a series or to make other adjustments (quality, frequency, extent) although this is less plausible.

Users determine the demand of a certain series of statistics. We define users in this respect as international organisations (e.g. Eurostat), planning agencies (e.g. CPB, SCP and PBL), government (e.g. ministries, local authorities and semi-public sector), industry organisations and researchers. Not all users of a statistical series are equally important. Some are more important than others. The effect of the use of the statistics also varies: for some users the statistics are much more important to carry out a task than for others. This must be reflected in the answer to the question of whether or not the priority of a series of statistics should be reviewed.

The component **society** looks at two elements: the scope of the use of a certain series of statistics and the effect of its use. For the scope, we look at the target group of the statistics concerned. They may be directed at a niche in the market, but also at the general public. For the effect we look at the impact on society of the use of the statistics. This impact may be marginal (on just one specific factor of economic policy) or play a key role (on the main factors of economic policy). The larger the

scope and the effect of certain statistics, the less desirable it is to review the priority of these statistics.

Alternative producers are potential rivals or other organisations that may also fulfil the role of Statistics Netherlands. If alternative producers are able to produce the same statistics that Statistics Netherlands produces, it may be logical to review the priority of these statistics. However, the potential loss of value and negative impact on the image of Statistics Netherlands should be taken into account.

The component **suppliers** looks at the administrative burden that collecting information for Statistics Netherlands imposes. What are the actual and the perceived burdens for suppliers in supplying this information? This administrative burden is not the same for all statistics. If central registers are used (e.g. the municipal population registration) the administrative burden is small. For some statistics, however, supplementary surveys are necessary which push up the administrative burden for businesses. Considerations concerning the administrative burden will not themselves be deciding factors, but as costs for society they will play a part in the overall assessment.

The last component is **organisation**. This comprises the total costs of making a certain series of statistics in relation to the proposed review. It also includes the potential indirect advantages and disadvantages of the proposal: a review in one division may result in an increase in costs in another division. If this increase in costs is larger than the savings of the proposed review, the implementation of the new priorities is not a realistic option.

This frame of reference gives us a picture of the social costs and benefits of a proposed review. The components legal context, society and users reflect the social benefits of a statistical series, while the components organisation, alternative producers and suppliers give more insight into the costs. The six different components provide a handle to design a consistent assessment system of the social costs and benefits of the proposed priority reviews. The components must be elaborated further to reach a (comparable) assessment.

This elaboration is carried out by formulating a number of questions for each component which must be answered for each review proposal. The questions are presented in the following section.

5.2 Questions in the assessment model²

We formulated a set of questions for each component of the framework. These questions are listed below.

² In the actual scoring process, a slightly expanded version of this model has been used. In particular, questions were added (based on comments of the CCS) regarding the consequences of the proposals on the role and image of SN.

5.2.1 *Legal context*

1. Is the series of statistics concerned based on legal provisions (or is it used in other legislation)?

If so, the following questions must be answered:

- a. Does the proposed review contravene the legal provision?
 - b. What is the chance of the proposed review being realised?
 - c. Within what term should it be realised?
 - d. Could Statistics Netherlands receive a fine on legal grounds if the proposed review is implemented? If so, how much would the fine be?
 - e. Are there possibilities to change the level of detail, quality, frequency or scope?
2. Is series of statistics based on contractual obligations?

If so, the following questions must be answered:

- a. When can the contract be terminated?
 - b. What will discontinuation of the statistics cost (fine)?
3. To what extent is the proposed review tenable (or are there developments which restrict the implementation of the proposal)?

5.2.2 *Users*

4. Who is the (main) user or who are the users of the statistics concerned?
5. How often are the statistics used (e.g. website hits)?
6. How important is this user/are these users from society's point of view?
7. What is the significance of the statistics for these user(s)?
8. If other information is also available, how big/important is the loss of information for users if Statistics Netherlands discontinues the statistics?
9. Is it important for the user(s) that it is Statistics Netherlands that produces the statistics?

5.2.3 *Society*

10. What is the scope of the statistics concerned?
11. What is the effect of the use of the statistics?

5.2.4 *Suppliers*

12. What is the source material for the statistics concerned?
13. By how much will the administrative burden (in euro) caused by data collection for these statistics be reduced?
14. What is the 'perceived administrative burden' of data collection for these statistics? (e.g. do surveys result in irritation among respondents?)

5.2.5 *Alternative producers*

15. Is Statistics Netherlands the only institution/organisation that publishes statistical information about the subject concerned?

If so, skip the following questions:

- a. Is the alternative producer more expensive or cheaper?
 - b. To what extent will the image of Statistics Netherlands be damaged if the statistics are discontinued?
16. To what extent will the statistics be devaluated if they are produced by another organisation?

5.2.6 *Organisation*

17. How much will be saved in direct costs if the proposed review is implemented (staff costs, material costs)?
18. What indirect costs can be reduced if the proposal is implemented (e.g. data collection, other statistics, management and support)?
19. Are there potential indirect disadvantages of the proposed review? (e.g. for another division, other statistics?)