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Treasury Committee

The appointment of the Chair of the Statistics Board

Ninth Report of Session 2006–07

Volume II

Oral evidence

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Witness

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Wednesday 18 July

Sir Michael Scholar KCB, nominee for Chair of the Statistics Board

Ev 1

Oral evidence

Taken before the Treasury Committee

on Wednesday 18 July 2007

Members present

John McFall, in the Chair

Mr Graham Brady
Mr Michael Fallon
Mr Andrew Love

John Thurso
Mr Mark Todd

Witness: Sir Michael Scholar, KCB, gave evidence.

Q1 Chairman: Sir Michael, welcome to the Committee and to the first of the confirmation type hearings. As you know, after this session we will be producing a report which goes to the House of Commons and there will be a debate next week on your appointment. Can you introduce yourself formally for the shorthand writer please?

Sir Michael Scholar: My name is Michael Scholar and I am at the moment president of St John's College, Oxford and have been for six years. Before that I was Permanent Secretary at the DTI, before that Permanent Secretary at the Welsh Office, and before that I held various positions in the Treasury.

Q2 Chairman: You mentioned St John's College and I note your position there and you are also a non-executive director of Legal and General.

Sir Michael Scholar: I am indeed. Legal and General Investment Management. I am not a non-executive director of the main board of Legal and General, I am a non-executive director of the board of a wholly-owned subsidiary, Legal and General Investment Management.

Q3 Chairman: Okay. With that non-executive directorship, the St John's College position and the £150,000 a year for a three-day-week job here, do you feel you can hold all three jobs down?

Sir Michael Scholar: My job at Legal and General Investment Management is likely to come to an end soon. I have been there getting on for five years and the Chief Executive and I have been talking about a change quite soon. We had been doing so several months ago. So I think it is very unlikely I will continue at Legal and General Investment Management for very long, although I am at the moment still a non-executive director of that board. St John's—would you like me to talk about that?—yes, you have invited me to do so. For the last two years, as well as being president of St John's College, I have been Chairman of the Conference of Colleges in Oxford, which is all the colleges and halls in Oxford and as Chairman of that body I have been attempting to steer them towards a particular course of action and agreement, and also agreement with the University which is a separate body. Before that, I was vice-chairman of the Conference of Colleges, so for four years I have held a very time-consuming

role in Oxford University which I estimate has taken about three days a week. That role comes to an end this summer because I was elected to that position and my period of tenure of office naturally comes to an end in September. Sorry, I have given a very long answer—

Q4 Chairman: Your connection with St John's College is finishing in September completely?

Sir Michael Scholar: No, my connection with St John's College goes on for another five years, but my post as chairman of the Conference of Colleges will be finished in September.

Q5 Chairman: How much is involved in your presidency of St John's College in terms of a working week?

Sir Michael Scholar: In term time, it takes me two or three days a week to carry out my duties as president of St John's. Out of term, less than that. The job as chairman of Conference was a good deal more onerous in terms of time.

Q6 Chairman: So during term time, given you are taking the job for the Statistics Board, and St John's College, you will be working a six-day week?

Sir Michael Scholar: Maybe. Yes, I think it is very possible. I have been working a six-day week over the last four years. I am used to it.

Q7 Chairman: Would it be fair to say you are a bit over-stretched and maybe you are not doing justice to this new position?

Sir Michael Scholar: I do not feel at all I will be over-stretched. I think it will be a challenging and demanding position but I feel confident I can do it together with the presidency of St John's. I am obliged by my contract with St John's to have their consent before taking any position outside the College and I have that consent, and I have that consent after explaining to them the time pressures which the chairmanship of the Statistics Board will undoubtedly place upon me.

Q8 Chairman: Did you have a rigorous selection interview and, if you did, what was the most difficult question you faced?

Sir Michael Scholar: I did find it a rigorous interview. I think the most difficult question I faced was a question about my views about the composition of the new Board.

Q9 Chairman: What was your view then? Did it vary with what the Government's view was?

Sir Michael Scholar: It is obviously for the Government to decide, it is the Government which makes the appointments to the Board, but the chairman of the Interview Panel, the Permanent Secretary to the Treasury, indicated that he expected me to play a very full part in the construction of the Board. It seemed to me that the conundrum, the difficulty, was this, that the legislation seems to envisage possibly quite a small board with perhaps five non-executive directors. I personally feel a small board is often a more effective board. On the other hand, in the debates, which I have been reading through the internet from Oxford, it seems to me that there are many people who feel they should have some representative on the Board and one can see very good reasons why there should be representatives from Scotland, Wales, Northern Ireland, the regions, local authorities and so on.

Q10 Chairman: Could I ask how you replied to the standard question on political activity in the questionnaire you received?

Sir Michael Scholar: I have not engaged in any political activity for many, many years; scarcely ever in my life actually have I engaged in political activity.

Q11 Chairman: Forgive me for saying this, Sir Michael, but people will say that there is your son who is chief of staff at Number 10 Downing Street, you have a quintessential mandarin background from the Treasury, is this not just an inside job?

Sir Michael Scholar: My son is a civil servant; he is not a political adviser. He has been a civil servant for many years. He phoned me up yesterday evening to congratulate me on being nominated by the Government for this position and he told me that the first he had seen of it was when the press notice arrived on his desk. I think the question you put to me is a question which only the Government can answer. I do not know what went on in Number 10 Downing Street.

Q12 Chairman: It is a relevant question, that is why I put it to you.

Sir Michael Scholar: Yes. My belief is that my son had nothing whatever to do with the appointment and that is what he told me.

Q13 Chairman: We deal with perceptions in politics.

Sir Michael Scholar: Yes, thank you.

Q14 Chairman: Another perception, Sir Michael, is that the official statistics are not trustworthy because they seem to be at the behest of politicians and there is political interference. That is a big challenge for

you when you take up the chair, how are you going to ensure that that perception is changed and we can have trust in statistics?

Sir Michael Scholar: It seems to me to be the main task which I will face in the post, if I am appointed to the post. I think that the Bill, which is still going through Parliament, provides a very, very good basis for changing that perception. I believe that during the passage of the Bill through Parliament a number of changes have been made to the Bill which have been obviously accepted by the Government, and I believe that that makes it an even stronger basis for rebuilding or re-establishing public trust in UK official statistics. My intention would be to use the new arrangement set out in the Bill to my utmost to bring about that re-establishment of trust which I think is so important.

Q15 Mr Todd: The Chairman touched on one of the difficulties which you may have, which is that your career up to this point—well, up until you left the Civil Service—would be regarded as an object lesson in progression to the highest levels in government, and if people were looking for someone to head this Board in an entirely independent way and to secure the confidence of the public in the independence of the statistics function one might not expect an appointment of someone with such an illustrious background at all levels of government. How do you address that perception?

Sir Michael Scholar: If you are a senior civil servant, it is impossible to establish during that time—I think it ought to be impossible—a reputation for independence. What you do and what I did was to offer advice to Ministers throughout my career. Sometimes Ministers accepted that advice and sometimes they did not accept it. Obviously in a career as long as mine I worked for both Conservative Governments and Labour Governments at various points and I operated in that way with governments of both colour. When the Ministers did not accept my advice I did not let it be known to the press or did not in any way seek to establish a reputation as being independent of the Government; I did not think it was right to do so. I should add that since I left the Civil Service a number of people have sought interviews with me and asked me to make disclosures on matters, advice I gave to Ministers and in particular where there was disagreement between myself and the Minister I was advising, and I have not given those interviews and I have not—

Q16 Mr Todd: That sets you apart from one or two other people.

Sir Michael Scholar: I personally feel it is wrong to do so. I feel the relationship is one of confidentiality. This post is entirely different; it is a totally different situation. In this post I will not be reporting on these statistical matters to Ministers, I will be reporting to Parliament, and my view is that Parliament will expect transparency, utter transparency, and it will be my aim to operate in a totally transparent way. So I believe that in doing so over the course of time you would see that I operate in an independent way and

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that I am an independently minded person. Could I just add one further thing? That is, in the six years since I retired as a permanent secretary I have played this role in Oxford and that is a public and political role, and I have made in effect political speeches within the arena in Oxford and I have taken a line which has been very unpopular with some people, popular with others, and I think you will find if you checked that I am seen as somebody who acts independently.

Q17 Mr Todd: Let me just quote from the piece in the *FT* today which illustrates the point I am trying to make to you. I quote selectively: “His reputation among establishment figures is already high . . .” and they then go on to say, “Sir Michael’s main challenge will be to show he is an independent voice.”

Sir Michael Scholar: Yes.

Q18 Mr Todd: You have asserted your independence.

Sir Michael Scholar: Yes.

Q19 Mr Todd: You have talked of your recent experience of carrying out an independent function from government over the last few years. Do you understand that to the public at large that would not appear to be evident from your track record? I think the *FT* is not a particularly partisan commentator in these matters.

Sir Michael Scholar: All that I have said has been about the past, because you asked for evidence as to my independence and necessarily that is about the past. All I can say is that I believe my track record in the future will cause people to write rather different stories from that story from which you have quoted.

Q20 Mr Todd: Indeed. Can I turn to an aspect of the role. Do you feel that those who receive statistics from the ONS are their customers or their users? Or do you think there is no distinction between those terms?

Sir Michael Scholar: I think it is a very difficult question you have put to me. I think it would be very wise for the ONS to think of them as customers because the ONS is operating a public service role and a public service body will provide a better service if it thinks of its users as customers and tries to please them. On the other hand, with the ONS I think there is a different dimension to it, and that is to say its role is not to please, its role is to give the truth and sometimes the truth is uncomfortable. I suppose if you are serving a customer you have to tell the customer the truth too—

Q21 Mr Todd: Sometimes.

Sir Michael Scholar:—but the notion of a customer rather suggests the ONS might be a bit too keen to please and so that is why I find your question difficult to give a straight answer to.

Q22 Mr Todd: Let me give a slightly more detailed angle on that. How would you seek to ensure that the views of those who are regular receivers of

information from the ONS have their views on methodology, for example, of collection of statistics, the selection of the presentation of those statistics, taken into account so they meet their requirements in terms of how they do their business?

Sir Michael Scholar: I think it should be a big—

Q23 Mr Todd: You will be aware I have some cases in mind where there have been public comments on the way in which the ONS has carried out its functions in various respects and the perceptions of at least one well-known receiver of data, that their views have not necessarily been carried through as they would wish.

Sir Michael Scholar: I think it should be a big element in the new Board’s work that it has very close contact with its stakeholders, and those are the users of statistics very broadly defined I think. I mentioned early on in my evidence a list of them and I think it is a longer list than that actually, it would also be academia, it would be institutions as well as business, commerce, industry, local authorities, obviously the Bank of England is a very big user of statistics, and I think the Board needs to be in close contact with those people and not just in a passive way. I think it needs to be very active in its approach towards its stakeholders.

Q24 Mr Fallon: Sir Michael, forgive me, this is not a Government agency, this is supposed to be an independent statutory board. Here you are, a former Treasury mandarin, former Permanent Secretary, your son running Number 10. You are the insider’s insider, are you not?

Sir Michael Scholar: I retired six years ago from Whitehall, so that is behind me in time. As I have explained—I was about to say I have the misfortune to have a son but I do not want to say that!—my son is there and has had nothing to do with this appointment. No, I do not accept that description of myself as the insider’s insider. I would not wish to conduct myself in that way at all.

Q25 Mr Fallon: You say you want to be independent and you are going to be independent, which aspects of the legislation do you have concerns about?

Sir Michael Scholar: I am concerned about answering this question because the matter is before Parliament and I am not a Member of Parliament but you have invited me to say something. I was very pleased to learn that the discussion about pre-release had taken a new turn in recent days and that a 24-hour policy was now being written into the Bill or into the secondary legislation coming from the Bill. That seemed to me a very great improvement on what had been there before. I am aware it is still pretty much out of line with international practice and the recommendations of the UN and so forth. I feel some difficulty about telling either the Government or Parliament what to do about such a matter. You think I should.

Q26 Mr Fallon: We are trying to get hold of your views here because you say you want to be independent and we are trying to see if there is some

independence of mind here. You have picked on the very issue I wanted to discuss with you. The Government has said it wants to consult the Board on pre-release but yet it has announced that the pre-release time should be 24 hours. That is not proper consultation, is it?

Sir Michael Scholar: Maybe it is. I have not examined precisely what the Government has said, the words they have used about the 24 hours. It may be the 24 hours is not there forever and it may be it will be possible to review it at some stage. The suggestion that the Board should be consulted about it seems to imply to me that there may be a process in which there will be some further movement on this matter.

Q27 Mr Fallon: Can you not do a bit better than that? This is the one issue where Ministers enjoy privileged early access to statistics, it is the one issue that your new Board, if you are appointed Chairman, will not actually decide. Do you support that?

Sir Michael Scholar: The Board has to work with what it is given by Parliament.

Q28 Mr Fallon: Yes, but what do you think?

Sir Michael Scholar: I would prefer to have a shorter pre-release period.

Q29 Mr Fallon: But who should decide the pre-release period? That is what I am trying to get at. Why should it not be this new Board we are setting up?

Sir Michael Scholar: I am aware at the beginning of the process, before the Bill was introduced and in the debates on the Bill, there were a number of people who said the Board should determine the pre-release—

Q30 Mr Fallon: What is your view?

Sir Michael Scholar: I think it would have been very good to have had that.

Q31 Mr Fallon: You would have preferred the Board to have decided pre-release?

Sir Michael Scholar: I would have preferred that to be the case, yes.

Mr Fallon: Thank you.

Q32 Chairman: This goes to the question of the present low level of public confidence in statistics, Sir Michael.

Sir Michael Scholar: Indeed, yes.

Q33 Chairman: If you see this job as a challenge and if you are going to be independent, your independent views are essential in this because the view from the public is that when politicians get their hands on statistics they massage them and then they come out and are spun. There is a real issue for us here.

Sir Michael Scholar: I entirely accept that point.

Q34 Mr Fallon: You are aware this Committee recommended three hours, nowhere near 24 hours? You are aware of that?

Sir Michael Scholar: Yes, I am aware of it, yes.

Q35 Mr Fallon: Was that the way you wish to go, more towards a shorter period?

Sir Michael Scholar: Sure, yes. It depends what Parliament gives us and what we can do.

Q36 Mr Fallon: I fully understand that, but we are trying to get hold of your views.

Sir Michael Scholar: I believe I am giving them.

Q37 Mr Fallon: You would like to decide it and you would like a shorter period?

Sir Michael Scholar: Yes.

Mr Fallon: Thank you.

Q38 Chairman: It is a different mindset, being a Treasury official as opposed to being chair of the independent Statistics Board, Sir Michael. Whilst it is admirable, and we agree entirely, that six years pass and you do not give an interview on the record, we are looking for you to go on the record here.

Sir Michael Scholar: Sure.

Q39 John Thurso: I would like to come back to what you have already said is the most difficult question you had at interview surrounding the Board and how it will operate and your views on that. The Board you are about to chair has two very distinct roles, the first is the responsibility for the oversight and scrutiny of the statistics system as a whole and, secondly, the executive responsibility for the operation and delivery of statistics. How, as Chairman, would you seek to structure the Board so you can do justice to both those objectives?

Sir Michael Scholar: I will want to have a very strong team working for the Head of Assessment, which is provided for in the legislation to exist alongside the National Statistician reporting to the Board and not reporting through the National Statistician. It seems to me vital that there should be an adequate resource there to enable the Board to perform that assessment function right across the whole of UK official statistics. The other executive members of the Board will be involved in the production of statistics and will obviously be covering that side of the Board's responsibilities. I think it is the Head of Assessment which is the novelty in the new legislation and it is a novelty upon which we must build securely in order to make a success of that part of the Board's role.

Q40 John Thurso: Looking at your plc experience, you have clearly had experience of committees of audit, remuneration, nomination, whatever. Would you see that kind of structure becoming part of this Board?

Sir Michael Scholar: That is a question that I will need to think about. The remuneration will not be an issue for this Board as it is for a plc board because we are talking about civil servants, both in the ONS and in government departments generally, and their pay of course is set by a different mechanism in which I would not be—

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Q41 John Thurso: Would that include any performance related pay?

Sir Michael Scholar: I think you have put your finger on an important issue. It might well be that a remuneration committee could perform a useful role there, yes.

Q42 John Thurso: An audit committee?

Sir Michael Scholar: I think an audit committee would be a very useful thing to have. I do not remember whether it is envisaged in the legislation.

Q43 John Thurso: Presumably if it is not excluded it can be included?

Sir Michael Scholar: It could be introduced. I have sat for five years on the Oxford University audit committee and seen the value that such a committee can add. I would basically be very interested in pursuing both ideas.

Q44 John Thurso: Clearly that places, as it does in many organisations, a considerable level of responsibility on non-executives and I quite agree with you that small boards tend to function better, and you may have something in the order of five or so. To produce a board that is fit for purpose, what would be the range of qualities and experience that you might seek to cover with those five people, not individually but as a broad range?

Sir Michael Scholar: I think there are two overriding characteristics. I think the first is that those people should have the vision which we have talked about earlier in this hearing to recreate trust in UK official statistics, to improve their integrity and their quality. I think that is the first thing. I think the second thing is that all of those people should be people who are both confident and competent enough to challenge both the statisticians and those who are themselves challenging the statisticians. So I think they have to be professionally competent. Whether that means they have to be professional statisticians or they have to be people who have used statistics and are confident and well used to that, I am not very sure. I am sure we will be looking for representation in the way I mentioned earlier.

Q45 John Thurso: That is an interesting point because very often if you end up with a board which is representative, by the time you have got represented all the things you need to represent you end up with a board which is full and whether or not you have anybody who is fit for purpose is a moot point.

Sir Michael Scholar: I really think that that would be not the right way to go.

Q46 John Thurso: I agree with you.

Sir Michael Scholar: I really think that would be not at all the right way to go. The way to go is to go first of all for vision and passion, secondly and equally for professional competence, and then one is hoping by serendipity you will also have—

Q47 John Thurso: The representational side will be serendipitous.

Sir Michael Scholar: It is very important. I do not want to down-play it because I know a lot of people think it is important, and I think it is important, but I really would not want to end up with the situation you have described.

Q48 John Thurso: Clearly one of the most critical aspects of ensuring this Board can undertake all those functions you have described with confidence is that they are as independently minded as you have asserted that you are, and are clearly committed to undertaking that role in an independent spirit. That begs the question as to whether there is a nominations committee of the Board or whether it is Government appointments, in other words whether your Board does the search once it is up and running and recommends to Government, or whether you accept whatever the Government choose to throw at you. Which would you like to see?

Sir Michael Scholar: I would like to play a large role in that. My discussions, as I mentioned earlier, led me to think I will play a large role in it. The legislation provides that the Government makes the appointment and, again, that will be one thing within which one will have to work. It may well be that if I am appointed I will want to have a kind of nominations committee, whether formal or not. I am sure the process of searching for people who, to use your words, would be fit for purpose is one which involves quite a lot of consultation and discussion.

Q49 John Thurso: One last question on the Board. It is often said that the time a chairman, particularly a non-executive chairman, earns his or her corn is when it is necessary to confront the executive and possibly change the executive. How would you handle that situation?

Sir Michael Scholar: I would handle it in the way I have handled it several times already in my career. First, you find out whether somebody is really not doing the job properly and it is not just a hunch of your own or a prejudice of your own, it is a properly established view. Then I would talk to the person concerned and say that that was the case and seek to get them to move on. This is not an easy or pleasant thing to do but it is something that you have to do if you run an organisation and I have had to do it. I hope I will not have to do it again.

Q50 John Thurso: Let us hope it remains theoretical. One last question which is quite separate. During our inquiry¹ I was particularly keen to look at the relationship between the devolved administrations, and the UK statistical system is somewhat asymmetric, like a number of other things, in that there is a UK-wide responsibility but there are large sections of statistics which are in fact totally devolved. How do you intend to ensure that your Board has the appropriate oversight over the whole UK statistical system whilst respecting the boundaries of devolution?

¹ Tenth Report of Session 2005–06, *Independence for Statistics*, HC 1111.

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Sir Michael Scholar: I think there is going to be a good deal of travel to Edinburgh and Belfast and Cardiff by me and by members of the Board building on what I understand already happens, and that is that the National Statistician has a close working relationship with her counterparts in those places so that a properly integrated UK-wide statistical service, or statistical output, can be maintained or, indeed, improved so that we can create it where it is not adequate at the moment.

The Committee suspended from 4.35pm to 4.47pm for a division in the House.

Q51 John Thurso: We were discussing the devolution question and the relationship is governed by the Concordat. During our inquiry I put it to the then Financial Secretary that it would be worth looking at the Concordat. Would you support that concept of looking again at the Concordat and renegotiating in the light of the changes to the new Board?

Sir Michael Scholar: I think it would be a natural thing to do having got this new set-up, which is a completely different set-up from what has ever existed before, to look at that and see whether it is still fit for purpose. As you say, if it needs to be changed we would seek to negotiate those changes.

John Thurso: We look forward to hearing progress on that. Thank you, Chairman.

Q52 Mr Brady: You spoke earlier about the importance of improving the quality and integrity of official statistics, and obviously you have held very senior office in a number of government departments. To what extent do you think it is a problem with the reality of the quality and the integrity of the statistics and to what extent is it presentational?

Sir Michael Scholar: I think it is mostly a question of the way the statistics are presented. It seems to me that the quality of UK statistics in international terms is high. There are some countries that may be better but we are pretty high up in the league. Within that there will be considerable variability, there will be some bad patches and some good patches, but that is my impression. In my first days or weeks really thinking hard about this, that is the impression I have got from talking to various people. I think the problem has been that people have seen that the statistics are put out by Ministerial press offices, often accompanied by policy statements, and the impression given to the public is that there is no real distinction between the statistic and the policy spin that goes with it. I think that has infected the public view of the honesty of these figures. I suspect that it also goes back further than that, that it may be a feature of recent decades, recent years. There have also been suspicions that governments have manipulated the definitions of various statistics to suit their purposes at the time. I remember that being a charge made against the Conservative Government in the 1980s. Looking right through the 19th and 20th centuries, "lies,

damn lies and statistics", statistics are always matters of political controversy and people suspect that they are subject to manipulation.

Q53 Mr Brady: But as a Permanent Secretary you were not inherently concerned about the quality of the statistics that you were dealing with, you were just concerned perhaps about the way they were dealt with politically?

Sir Michael Scholar: No, I was concerned about the quality of the statistics. Both in the DTI and in the Welsh Office I had a cadre of statisticians working for me and I was very concerned to ensure that the output of those people was of the first order.

Q54 Mr Brady: I meant you were not concerned about the quality of the output. You obviously had a concern in making sure the process was right but what was produced you were confident of.

Sir Michael Scholar: Yes. I thought that in both those departments we had a very good statistical team and the head of profession in both departments was really good at his or her job.

Q55 Mr Brady: You referred earlier to the importance of the Bank of England as a client of the ONS. I understand the Bank has raised concerns about the relocation of ONS staff and the ongoing process and has gone so far as to say that the programme poses "a serious risk to the maintenance of the quality of macroeconomic data". How do you propose to address such a serious concern from such an important client?

Sir Michael Scholar: It is a concern which obviously the Bank of England have expressed but it must be a concern that other customers or users equally feel. I have had some experience of this. When I first went to the DTI as Permanent Secretary, Companies House and the Patent Office had recently been relocated to South Wales and there was concern both amongst the staff of those offices at the time and amongst the users of those services that there would be a deterioration in service immediately upon that removal, or thereafter, and there were some immediate issues. I think it is not surprising when you get a relocation of that kind that you may get some period during which the service is not as good as it was before the dislocation, but I believe if those two examples are anything to go by the relocation worked really well and after several years, or perhaps less, things were going extremely well in those offices. The management of the office is the primary responsibility of the Chief Executive, the National Statistician, and I would see my role as the role which a chairman should play in that situation, that is asking challenging, probing questions, giving support, being somebody with whom the Chief Executive discusses issues which arise, making suggestions from the experience I have had in this kind of situation, and so on.

Q56 Mr Brady: Obviously all of those changes put a significant burden on management within the service. Are you aware of a recent First Division Association staff survey which shows that only 11%

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of ONS senior civil servants thought that the ONS was well managed? How concerned are you about that?

Sir Michael Scholar: I was not aware of that, I am afraid. I do feel concerned about that now you have told me about it. I would want to see a series of those figures. I would like to see whether that has changed over time if there has been a series of such surveys. Often one learns more from looking at a series than one learns from a spot point, but a figure as low as that which you have quoted is certainly one which is of concern.

Mr Brady: Thank you.

Q57 Mr Fallon: Sir Michael, the Government has already announced the budget for the new Board up to 2012 of £1.2 billion. Would you not have preferred to have been consulted about that or to negotiate it yourself on behalf of the Board?

Sir Michael Scholar: As I understand it the announcement was made some time ago. My interview for this post took place on Friday of last week so I do not think that would have been a practical possibility.

Q58 Mr Fallon: How much do you understand of the £1.2 billion has been allocated to the Census itself?

Sir Michael Scholar: I am afraid I am not able to answer that question. As I say, I was interviewed on Friday and learnt yesterday that I had been nominated for this post. I have been reading over the recent weeks as much as I can about it since I made an application for the post, but I am afraid that it would be foolish for me to try and answer your question, I do not know the answer.

Q59 Mr Fallon: The Statistics Commission estimated that the cost of the Census might be around £500 million. Does that sound right to you?

Sir Michael Scholar: I am afraid I cannot comment on that.

Mr Fallon: Thank you.

Q60 Mr Todd: When the Committee took evidence on the proposals that led to the Bill it expressed some concern about the two-tier system of National Statistics and statistics prepared within departments, and you will be familiar with that as a Permanent Secretary in that you would have had a professional head in your department who prepared departmental statistics which, to the public perception, are statistics issued on behalf of the government in the same way as National Statistics are. Do you think there are any difficulties in the definition that we seem to use? Do you think that the public has any appreciation of the difference in quality and provenance of the various forms of statistics that they see?

Sir Michael Scholar: I should think the public expect, or hope, that all official statistics will be good statistics and would not understand the idea that some are favoured and some are not favoured.

Q61 Mr Todd: Would you see it as part of your brief to expand the compass of National Statistics, one that clearly carries the imprimatur of independence which one hopes this body will bring to the statistical process?

Sir Michael Scholar: The answer is yes because my aim as Chairman of this Board would be to improve the quality of UK official statistics.

Q62 Mr Todd: Whether they are prepared by ONS or anyone else?

Sir Michael Scholar: Yes, right across the board.

Q63 Mr Todd: Have you got some examples in your mind and from your own experience, and here the advantage of your lengthy public service comes into play, of statistics which perhaps would be better presented as National Statistics than departmental statistics?

Sir Michael Scholar: I am venturing into difficult territory but—

Q64 Mr Todd: I hoped I might persuade you to, yes.

Sir Michael Scholar: I read with some surprise that NHS one month waiting lists are not National Statistics but the three month figures are National Statistics, and that seemed pretty odd. Maybe there are good reasons for it but it seemed pretty odd to me.

Q65 Mr Todd: It seemed odd to us too actually.

Sir Michael Scholar: Certainly if the implication is that the three month figures are okay and the one month figures are not, I would want to look very hard indeed at that because it seems to me that the public have the right to expect that all of these figures are of top quality.

Q66 Mr Todd: So from what you are saying you would seek to extend quite radically the coverage of National Statistics as a part of your strategy of improving the perception of the public of statistics in general issued by government?

Sir Michael Scholar: Yes, within what was practically possible I would certainly seek to do that.

Q67 Mr Love: When you mentioned the words “practically possible”, we have already been told that the budget has been allocated, £1.2 billion, probably £500 million of that going to the Census, so you will be limited in how you can extend National Statistics. You may be concerned about government departments, you have been a Permanent Secretary yourself, but what is “practically possible” in being able to influence government departments to make sure the statistics are of a quality that you can defend?

Sir Michael Scholar: You have an outfit, a team, and I hope that it will be an adequate team and they will be able to undertake this task I have been discussing with Mr Todd. There are only 24 hours in a day and people can only do what they can do, so that is why I mentioned the notion of what is practically

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possible. It is partly a matter of money and it is partly a matter of what the team of people can actually do in the time they have.

Q68 Mr Love: Let me give you an example. Would you be prepared to publish your unhappiness with various statistics coming from government departments on the basis that you did not feel they were up to the standard that you could defend?

Sir Michael Scholar: Most certainly, yes.

Mr Love: Thank you.

Q69 Chairman: Sir Michael, when do you hope to take up your post?

Sir Michael Scholar: I hope to take up the post at the beginning of September. I have not actually signed and sealed, I obviously cannot do because—

Q70 Chairman: We have a vote next week!

Sir Michael Scholar: — one has to see what the House decides.

Mr Love: We will take you into the tearoom and you can meet all the Members!

Q71 Chairman: When would you expect the rest of the Board to be appointed?

Sir Michael Scholar: Really as soon as possible. The implementation date is April, so clearly that is an end point for the appointment process but I would really want to get a move-on, with respect.

Q72 Chairman: Would you agree that you will successfully pass your first test, Sir Michael, when your public statements are at variance with the Government's?

Sir Michael Scholar: Well, I certainly think if that moment happens, or you might say when it happens, that will provide some reassurance to those who have in their minds the kinds of doubts which you and Mr Fallon expressed earlier in this hearing.

Q73 Chairman: Sir Michael, as you know, we are compiling a report and presenting this to the House and I will be introducing this report. If you pass the test here today what should I say in your favour and if we make a report which rejects you what should I say is your weakness?

Sir Michael Scholar: What is my weakness?

Q74 Mr Love: Tell us about your strengths.

Sir Michael Scholar: Well, I do not know. I am sorry, I have got many weaknesses but I am trying to think what weakness would be relevant to this Committee.

Q75 Chairman: We will go off the record! What is your strength, Sir Michael? We will not dwell on your weaknesses.

Sir Michael Scholar: I think my main strength for this question that the House will be considering is I feel very strongly that this legislation and these new arrangements are of vital importance. One of my colleagues in Oxford, Andrew Dilnot,—

Q76 Chairman: We know Andrew.

Sir Michael Scholar: He has said that this is the most important Bill before this Parliament. For me, good statistics is like sound money or clean water, it is an absolute necessity and if you do not have it things go seriously wrong. I believe that very profoundly and I would wish to play a leading role in bringing it about, and that is why I applied for this position.

Q77 Chairman: You mentioned Andrew Dilnot, Andrew was a very valued adviser to our Committee who appeared very regularly and was very helpful to us. We do know how much value he attached to the integrity of statistics. Sir Michael, can I thank you for your attendance today. I hope you do not think we were too personal but the Government has changed the constitutional arrangements and said that the committees examine and then the House votes. We do not want anything to be rubberstamped.

Sir Michael Scholar: Of course not.

Q78 Chairman: You could say you are the guinea pig in this because we are going to be the first Committee reporting to the House.

Sir Michael Scholar: Could I just add one point, Chairman?

Q79 Chairman: Sure.

Sir Michael Scholar: Will you forgive me for doing so. There is one thing I wanted to say, and should have said in answer to Mr Brady when he spoke about the relocation to Newport, and that is, as you know, I worked for three years in Wales in the Welsh Office and I have a house, in recent years my only house in fact, 25 miles from Newport and would very much welcome working again in South Wales.

Q80 Chairman: Some of my colleagues say you are a Merthyr boy, is that correct?

Sir Michael Scholar: I am. I was born in Merthyr Tydfil. Forgive me for interrupting you, Chairman.

Q81 Chairman: No problem. Sir Michael, if you are successful then we wish you every success.

Sir Michael Scholar: Thank you very much.

Chairman: Thank you.