
Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Bernard Jenkin MP
Chair, Public Administration Select Committee
House of Commons
LONDON
SW1P 3JA

9 June 2011

Dear Mr Jenkin

CHILD POVERTY AND EXPENDITURE ON TAX CREDITS

When I gave evidence to the Committee on 10 May you requested I let you know on every occasion when the Authority had concerns about the way in which official statistics were being used by Government. I undertook to report to you accordingly.

A recent case arose in relation to the Department for Work and Pensions which I asked to be investigated. The National Statistician's report to me is attached.

The Statistics Authority is satisfied that, whilst the figures quoted are misleading for the reasons set out by the National Statistician, this does not, of itself, constitute a breach of the Code of Practice for Official Statistics. The Authority is satisfied with the action the Department has taken, but is monitoring the situation closely.

Yours sincerely



Sir Michael Scholar KCB

Jil Matheson National Statistician | Ystadegydd Gwladol

Sir Michael Scholar
Chair
UK Statistics Authority
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8 June 2011

Dear Michael

As you are aware, concerns have been expressed about an article which appeared in the Daily Mail on 13 May which quoted figures, attributed to Government sources, for the fall in the number of children in relative poverty since 2003 (800,000), along with the total spend in tax credits over the same period (£150 billion); and from these two derived a figure of £1 million for every 6 children lifted out of poverty (£166,000 per child).

This derived figure is potentially misleading because it does not take into account that:

- tax credits are not targeted exclusively on those in poverty and may serve to keep those children not in poverty from moving into it;
- had nothing been spent on tax credits, child poverty would have risen, rather than fallen; and
- tax credits are also received by adults without children.

I have also investigated how this came about. The Department for Work and Pensions has acknowledged that its internal procedures for providing advice on the use of these statistics did not work as effectively as they should have done, and have reaffirmed their commitment to using statistics in an appropriate way.

I have discussed with the Authority's Head of Assessment and we both advise that no breach of the Code of Practice for Official Statistics occurred. The Department has put in place measures designed to ensure that there is no repetition of this incident.

Yours sincerely



Jil Matheson