
Chair of the UK Statistics Authority, Sir Michael Scholar KCB

Rt. Hon. Francis Maude MP
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14 October 2010

Dear Francis

Thank you for your letter of 27 July in which you set out the Government's position on the 2011 Census and reply to the points I raised in my letter of 12 May to the Prime Minister.

The Statistics Authority was very pleased to learn of the Government's decision to proceed with the 2011 Census, and of Ministers' resolve to promote the importance of the public engaging with the Census. We will need the full-hearted support of Ministers and Local Government and other leaders to achieve the high level of response you and we and the needs of the country require.

You will not be surprised to learn that I was disappointed by your letter's response to the proposals in our letter to the Prime Minister of 12 May, and it may be that there has been some misunderstanding of what we are suggesting. We do not wish in any way at all to cut across the lines of Departmental accountability for their budgets and their staffing. Our request is, simply, to be consulted before Departments reach major decisions on their statistical outputs and professional capability. A requirement to consult the Authority places no obligation on a Department to accept the Authority's views, but simply gives the Authority the opportunity to express those views. There are many areas of official statistical production that straddle Departmental boundaries, and many uses of official statistics that are affected by the decisions of more than one Department (please see the attached paper, prepared by Statistics Authority officials, which provides the evidence upon which this assertion is based). If major changes are made without consideration of their effects beyond the budget-holding Department concerned there may be a high price to pay later in terms of unforeseen consequences. I believe that Parliament will expect us to express our views on these issues.

I very much hope that you and your colleagues will be willing to consider this, and our pre-release proposals, further. Our sole intention is to rebuild trust in official statistics : an objective which I know you share.

Yours sincerely



Sir Michael Scholar KCB

Monitoring Brief

Monitoring Brief 5/2010
7 October 2010

The inter-dependence of statistical work in government

Official statistics are produced to inform decisions and actions, inside and outside government. In some cases a government department will produce statistics on a policy topic that is the shared responsibility of a number of departments, and there will thus be a shared interest in the continuation and development of the statistical series.

Many of the sets of statistics and reports that make up the output of the statistical service are thus the result of agreement and co-operation between more than one government department or agency, sometimes involving shared funding, interchange of data and joint publication arrangements.

There is, in effect, a complex network of interdependence, by which the statistical work of one department supports and complements statistical work elsewhere. Responsibility for some statistical topics is widely shared. The group of officials that co-ordinates UK health statistics has input from some ten departments and agencies¹.

Where departments are proposing substantial changes to statistical work, it is important that they consider the implications for other bodies, both inside and outside government, or else they risk acting in a way that reduces the value or efficiency of public sector functions. For example, if the Office for National Statistics reduced work on population estimates, that could adversely affect the allocation of resources to local government and the health service, reducing efficiency overall. The net impact would likely be negative despite the saving to ONS.

This note illustrates some of the dependencies through examples. The nature of interdepartmental statistical co-operation varies. Where permitted by law and ethical considerations, one department may pass individual records (relating to persons or businesses) to another department so that those records can be combined with other data to produce a richer basis for statistical analysis – for example, data from NHS records are used by ONS in estimating population migration within the UK.

However, the transfer of individual records is relatively uncommon. More typically, two or more departments agree on the form of data collection, technical definitions and standards, the coverage of surveys, the timing of production, the transfer of aggregate information, the form and timing of publication etc. There is also some shared funding of statistical activities – such as the Wealth and

¹ Departments represented at meetings of the National Statistics Theme Group for Health and Social Care are the Department for Health, the NHS, the Health and Safety Executive, the NHS Information Centre, the Office for National Statistics, the Department of Communities and Local Government, the Department for Education, and the three devolved administrations.

Assets Survey, which is funded by the Department for Work and Pensions (DWP), ONS, HM Revenue and Customs (HMRC) and the Department for Business Innovation and Skills (BIS).

The UK's membership of the EU and other international groupings creates a need for some measure of statistical co-operation between UK departments. For example, departments need to co-operate in agreeing the UK position on international statistical agendas and then work together to meet whatever statistical obligations are involved. For example, the Department for Environment, Food and Rural Affairs (DEFRA) and the three devolved administrations work closely to produce UK agriculture statistics to meet EU statutory requirements. The expertise in this field is shared across the four organisations.

Examples:

1. **Population data for policy.** ONS compiles and publishes estimates of the UK population. The 10-yearly Census provides the starting point for these. ONS directly manages the Census for England and Wales. The Census in Scotland is conducted by the General Register Office for Scotland (GROS); and that in Northern Ireland by the Northern Ireland Statistics and Research Agency (NISRA). Close co-operation is needed and the resulting statistics are used extensively within government.
2. **Tracking migration.** Data on migration flows – internationally and within the UK – are important for many purposes. Statistics on *international* migration are published jointly by ONS, the Home Office, DWP, GROS and NISRA. This includes estimates of long-term migrants from the International Passenger Survey as well as the number of asylum and visa applications and information on National Insurance registration by foreign nationals to give a coherent picture. ONS estimates of *internal* migration rely on data sharing between departments such as basic demographic information from patient registration with doctors in England and Wales. These statistics are used widely by central and local government in decision-making and resource allocation. Improving migration estimates involves co-operation between the Department for Health (DH), the Home Office, the Department of Communities and Local Government (CLG), the Department for Education (DfE), the Department for Business Innovation and Skills (BIS), DWP, ONS and the devolved administrations under the cross-government Migration Statistics Improvement Programme.
3. **Analysing demand for social care.** To analyse future demand for social care for the elderly and others in need in England, data from DH, DWP, demographic estimates from ONS, and data from local authorities (via CLG) need to be drawn together.
4. **Compiling National Accounts.** ONS puts together the UK National Accounts drawing on data from other departments. For example, local authority spending statistics come from CLG, agricultural output from DEFRA and the devolved administrations, PAYE data and trade statistics from HMRC. ONS data is also used extensively in the devolved administration outputs on the economy.
5. **Monitoring public sector finances.** ONS and HM Treasury work together to produce, and jointly publish, monthly data for public sector finances. HMRC (tax receipts), CLG (local authorities spending, financing and borrowing) and the Bank of England (banking data) are also involved as data suppliers.
6. **Tracking cancer incidence.** Cancer incidence statistics for the UK, published by ONS, combine figures from eight regional cancer registries in England and the national registries in Wales, Scotland and Northern Ireland. The regional and national registries co-operate with

each other and with ONS and the devolved administrations to ensure that the information is consistent. Cancer statistics are one example of sharing confidential personal data for statistical purposes.

7. **Supporting local decision-making.** The Neighbourhood Statistics service provides a wealth of small area information for a wide range of indicators in England and Wales, covering topics such as education, health and care, crime and safety, housing, the physical environment, population and migration and aspects of deprivation. The website is managed by ONS, but maintaining it requires the active cooperation of many other government departments including the Department for Education (DfE), CLG, DH and the Home Office. The information is used extensively to tackle deprivation and improve local community decision making and resource allocation. The website consistently receives 1.2 million visits a year.
8. **Monitoring the labour force.** The Labour Force Survey (LFS) is conducted by ONS for Great Britain (there is a separate LFS for Northern Ireland). Together the surveys provide information on the UK labour market. In order to improve the robustness of data for particular areas, ONS make a number of targeted 'boosts' to LFS sample size. These boosts have been agreed as partnership projects with the relevant departments and the devolved administrations, which provide funding support in return for more robust data. Partnership projects are in place with DWP and BIS for England, with the Welsh Assembly and with the Scottish Government.
9. **Business analysis.** The Inter-Departmental Business Register (IDBR) is a core index of UK businesses maintained by ONS, which is used as a base for selecting samples for the statistical surveys that underpin UK economic statistics and devolved administration statistics. Information for the IDBR comes from a number of sources including HMRC and Companies House. A number of departments use the IDBR for their surveys and analysis including BIS, DEFRA and the devolved administrations. The IDBR is also central to many data linking initiatives, enabling, for example, investigation of the drivers of economic performance or evaluation of business support..
10. **Targeting deprivation.** The Index of Multiple Deprivation for England is commissioned by CLG, but constructed by a research institution. Corresponding indices are produced by the devolved administrations. This work involves the co-operation of a number of government departments (including ONS, DfE, DWP, DH, HMRC, CLG, and the Home Office) in supplying or facilitating provision of local data covering income, employment, health and disability, education, skills and training, housing and services, the environment and crime. The indices are used extensively by local and central government to identify deprived neighbourhoods and assist in the development of more targeted policies and informed funding allocation. For instance, over the last two years (to May 2010) the IMD report has been downloaded 200,000 times and the data has been downloaded 100,000 times from the DCLG website.
11. **Working lives analysis to support policy.** The English Longitudinal Study of Ageing (ELSA) is jointly sponsored and funded by a number of government departments (DH, DWP, ONS, DfT, HMRC and CLG), as well as the National Institute on Aging in America. Several departments have drawn on ELSA data in their research activities, for example CLG, ONS, DH and DWP. ELSA is a rich source of data on pensions, extending working lives, pensioners' poverty, disability and social care among others – for example, it has been used to develop a number of the Opportunity Age indicators.
12. **Benefits monitoring and analysis.** The Work and Pensions Longitudinal Study (WPLS) involves data sharing between benefits information held by DWP and employment records from

HMRC, under the data-sharing provisions of the *Employment Act 2002*. Examples of statistical uses include providing information on the outcomes achieved by Job Centre Plus, and understanding the links between savings held and the benefits in retirement. The WPLS is also the basis for sharing data with BIS which is used to assess longer term outcomes of further education activity.

13. **Benefit forecasting.** DWP provide forecasts of benefit expenditure and caseloads to other government departments to assist with their planning - for example to the Ministry of Justice (MoJ) and the Northern Ireland Social Security Agency. DWP also provides forecasts to HM Treasury and the Office for Budgetary Responsibility (OBR). It is also working with ONS to meet the new requirements for including state pension liabilities within the National Accounts framework, and has provided projections to ONS for their work on Generational Accounts.
14. **Monitoring energy efficiency and fuel poverty.** CLG sponsors the English Housing Survey (EHS) to provide evidence on the changing condition and energy efficiency of the housing stock. CLG works closely with DECC which uses the survey in monitoring fuel poverty and to develop policies aimed at reducing carbon emissions. DECC will also fund an Energy Follow Up survey to the EHS that will collect additional information on energy usage.
15. **Income distribution and poverty analysis for policy and Budget.** The Family Resources Survey (FRS) is primarily sponsored by DWP, but is also partly funded by the Scottish Government and Northern Ireland Department for Social Development. All three Departments use the survey to measure income distribution and poverty, and analyse the socio-demographics of benefit recipients. DWP, HM Treasury and HMRC also use the survey as the underlying data source for modelling benefit, tax and tax credit changes for Budget purposes. Other government departments also use the FRS, for assessment of policy objectives.
16. **Occupational pension schemes analysis.** The ONS survey of occupational pension schemes is the main data source on this topic. DWP use the data from this and other ONS business surveys to monitor changes over time in scheme numbers, scheme membership and employer and employee contributions. DWP and HMRC use the raw data to assist in estimating the effects of regulatory reforms. The survey will be of specific interest to DWP in relation to the forthcoming workplace pensions reforms to be implemented from October 2012.
17. **Family and household composition for pension analysis.** The General Lifestyle Survey, conducted by ONS, provides the longest running annual time series of statistics on family and household composition in Great Britain. It is used on a regular basis by DWP as part of the evidence base providing briefing and analysis on pension provision to inform policy development.