UK Statistics Authority

Assessment of compliance with the Code of Practice for Official Statistics

Statistics on the Effects of Taxes and Benefits on Household Income

(produced by the Office for National Statistics)

Assessment Report 94

February 2011

About the UK Statistics Authority
The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

The Authority's overall objective is to promote and safeguard the production and publication of official statistics that serve the public good. It is also required to promote and safeguard the quality and comprehensiveness of official statistics, and good practice in relation to official statistics.

The Statistics Authority has two main functions:
1. oversight of the Office for National Statistics (ONS) – the executive office of the Authority;
2. independent scrutiny (monitoring and assessment) of all official statistics produced in the UK.

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ASSESSMENT AND DESIGNATION

The *Statistics and Registration Service Act 2007* gives the UK Statistics Authority a statutory power to assess sets of statistics against the *Code of Practice for Official Statistics*. Assessment will determine whether it is appropriate for the statistics to be designated as National Statistics.

Designation as National Statistics means that the statistics comply with the *Code of Practice*. The *Code* is wide-ranging. Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Designation as National Statistics should not be interpreted to mean that the statistics are always correct. For example, whilst the *Code* requires statistics to be produced to a level of accuracy that meets users' needs, it also recognises that errors can occur – in which case it requires them to be corrected and publicised.

Assessment Reports will not normally comment further on a set of statistics, for example on their validity as social or economic measures. However, Reports may point to such questions if the Authority believes that further research would be desirable.

Assessment Reports typically provide an overview of any noteworthy features of the methods used to produce the statistics, and will highlight substantial concerns about quality. Assessment Reports also describe aspects of the ways in which the producer addresses the 'sound methods and assured quality' principle of the *Code*, but do not themselves constitute a review of the methods used to produce the statistics. However the *Code* requires producers to "seek to achieve continuous improvement in statistical processes by, for example, undertaking regular reviews".

The Authority may grant designation on condition that the producer body takes steps, within a stated timeframe, to fully meet the *Code's* requirements. This is to avoid public confusion and does not reduce the obligation to comply with the *Code*.

The Authority grants designation on the basis of three main sources of information:

i. factual evidence and assurances by senior statisticians in the producer body;
ii. the views of users who we contact, or who contact us, and;
iii. our own review activity.

Should further information come to light subsequently which changes the Authority's analysis, it may withdraw the Assessment Report and revise it as necessary.

It is a statutory requirement on the producer body to ensure that it continues to produce the set of statistics designated as National Statistics in compliance with the *Code of Practice.*

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1 Summary of findings

1.1 Introduction

1.1.1 This is one of a series of reports[1] prepared under the provisions of the *Statistics and Registration Service Act 2007*[2]. The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*[3]. The report covers the set of statistics included in *The Effects of Taxes and Benefits on Household Income*[4], produced by the Office for National Statistics (ONS) and published in two outputs: an article and a statistical bulletin.

1.1.2 This report was prepared by the Authority's Assessment Team, and approved by the Board of the Statistics Authority on the advice of the Head of Assessment.

1.2 Decision concerning designation as National Statistics

1.2.1 The Statistics Authority judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest**,** subject to any points for action in this report. The Statistics Authority confirms that the statistics published in *The Effects of Taxes and Benefits on Household Income* (*ETB article* and *ETB statistical bulletin*) are designated as National Statistics, subject to ONS implementing the enhancements listed in section 1.5 and reporting them to the Authority by May 2011.

1.3 Summary of strengths and weaknesses

1.3.1 These are the only official statistics to cover the effects on household incomes of indirect taxes as well as direct taxes, cash benefits and benefits in kind, and are therefore important in the evaluation of public policy. They are not the only (or necessarily the best) source of information on income inequality.

1.3.2 Redistribution of income is a potentially contentious area of policy but the statistics are produced and presented objectively and impartially. They constitute a long-running series, although changes to taxes and benefits over the years and improvements to methods mean that ONS advises caution in making comparisons over time.

1.3.3 There is scope for improving the explanation of similarities and differences between these statistics and other sources of income data, and for providing a more detailed explanation of methods and assumptions. There is also scope for better engagement with expert users of the data from outside government.

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[1] http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html
[2] http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf
[3] http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html
[4] http://www.statistics.gov.uk/statbase/product.asp?vlnk=10336

1.4 Detailed recommendations

1.4.1 The Assessment Team identified some areas where it felt that ONS could strengthen its compliance with the Code. Those which the Assessment Team considers essential to enable designation as National Statistics are listed in section 1.5. Other suggestions, which would improve the statistics and the service provided to users but which are not formally required for their designation, are listed at annex 1.

1.5 Requirements for designation as National Statistics

Requirement 1	Take steps to develop a greater understanding of the needs of current and potential users, and user views on the service provided. Publish the relevant information and assumptions and use them to better support the use of the statistics (para 3.2).
Requirement 2	Provide more specific information about the sources and nature of non-sampling error in the ETB statistics (para 3.10).
Requirement 3	List the administrative sources used by the ETB in the ONS Statement of Administrative Sources (para 3.30).

2 Subject of the assessment

2.1 The main focus of ETB – also sometimes known as Redistribution of Income (RoI) – is on how taxes and benefits affect the income of different types of household in the UK. The analysis starts with the distribution of original income, which is the income from all sources of all members of the household, before the deduction of taxes or the addition of any state benefits. It then shows the effects, in turn, of cash benefits and tax credits; national insurance and direct taxes (such as income tax and council tax); indirect taxes (for example VAT and other duties); and benefits in kind (for example state education, NHS care, housing and travel subsidies). Gini coefficients[5] are used as a summary measure of income inequality and to show trends over time.

2.2 The origins of this series go back to the introduction of the Family Expenditure Survey (FES) in the late 1950s. An archive of articles on ONS's website begins in 1964 (covering the years 1961 and 1962). The substantive output has always been an annual article – either published alone (as the full article is at present) or in the *Economic and Labour Market Review*[6] and its predecessors. ONS also publishes a shorter statistical bulletin that summarises the findings for non-expert users.

2.3 The main data source for ETB is the Living Costs and Food Survey (LCF - formerly known as the Expenditure and Food Survey, which replaced the FES in 2001/02). The LCF, which has a sample of approximately 6,000 households, is not the only source of data on household income. The Family Resources Survey (FRS) which is commissioned by the Department for Work and Pensions (DWP) and used to produce its *Households Below Average Income* series[7] (HBAI), has a sample of approximately 25,000 households. The FRS is therefore likely to provide a more accurate measure of income distribution, but unlike the LCF it does not collect the detailed information on expenditure that is required to assess the effect on income of indirect taxes such as VAT.

2.4 ETB is of particular interest to HM Treasury (HMT), HM Revenue and Customs (HMRC) and DWP in determining policies on taxation and benefits and in preparing Budget and pre-Budget reports. A special dataset is prepared for HMT, which uses it in conjunction with FRS data to model the impact of possible changes in taxation. The dataset derived from the LCF that is used to produce the *ETB article* is made available to other researchers via the UK Data Archive and is used by academics and think tanks such as the Institute for Fiscal Studies to examine the impact of public policy. ETB statistics generate media interest, either directly (from the article, statistical bulletin or associated news release) or indirectly through the work of think tanks and others.

[5] Gini coefficents are derived by ranking incomes in ascending order and plotting the cumulative share of income against the cumulative share of households. They can vary between a theoretical minimum of zero (complete equality, where every household's income is the same) and a theoretical maximum of 100 per cent (complete inequality, where one household has all the income and the rest have none).
[6] http://www.statistics.gov.uk/statbase/product.asp?vlnk=14692
[7] http://statistics.dwp.gov.uk/asd/index.php?page=hbai Although it is primarily focused on measures of low income, poverty and material deprivation, HBAI includes some statistics across the full range of the income distribution.

2.5 Income is widely considered to be a measure of actual or potential living standards. It is therefore common in the analysis of income to adjust the income of households in the light of their size and composition. This acknowledges, for example, that a family of four requires a higher income to achieve the same standard of living as a single person living on their own. ETB uses an 'equivalence scale'[8] to adjust incomes in this way before ranking households and splitting them into five or ten equally-sized income groups. It is currently in the process of switching from the McClements scale, which was developed in the UK in the 1970s, to the modified Organisation for Economic Co-operation and Development (OECD) scale which is now used in HBAI and for international comparisons[9].

2.6 A National Statistics Quality Review published in 2004[10] looked at official statistics measuring the total income of the household sector and the redistribution of income, including HBAI and ETB. It noted that the UK was relatively well-placed in the range and quality of its statistics in this area. The review considered, among other things, the rationale for two separate household surveys focusing on income, particularly in the light of low and falling response to such surveys. It discussed alternatives such as collecting expenditure information via the FRS or more linking of administrative data, but concluded that these approaches were beset with practical difficulties. The review also suggested that HBAI analysis might be used for the estimation of disposable income, with the ETB statistics being used to estimate indirect taxes and benefits in kind. We understand that some initial follow up work was done on this, but was not progressed because of resource issues and practical considerations.

2.7 The main recommendation from the quality review was to set up an Income Statistics Producers' Network with a remit to discuss issues that impact across the National Statistics in this area, to direct research into quality issues and to agree standards. It also recommended the development of a guide to income and redistribution statistics that would provide summary data from the statistical series used across government and provide advice on which data to use in which circumstances.

2.8 The *ETB article* and *ETB bulletin* are supplemented by occasional articles (see footnote 4) exploring methodological issues or providing additional analyses. These are one-off products that do not form part of this assessment, although we note that they provide valuable additional material.

[8] An equivalence scale is used to work out the ratio of the income needed by a household to achieve a particular standard of living, given its composition, to the income needed by a reference household (usually a childless couple) to achieve the same standard of living.
[9] An article on the ONS website explains and reproduces the McClements and OECD scales and examines the impact of changing from one to the other: see footnote 4.
[10] http://www.statistics.gov.uk/methods_quality/quality_review/social.asp

3 Assessment findings

Principle 1: Meeting user needs

The production, management and dissemination of official statistics should meet the requirements of informed decision-making by government, public services, business, researchers and the public.

3.1 The cross-government Income Statistics Producer Network (see paragraph 2.7) meets annually. However, it does not include any members from the expert user community outside government[11], although this was recommended by the National Statistics Quality Review. There is a steering group for the LCF, the membership of which is also restricted to government customers.

3.2 Other engagement with users is ad hoc rather than pro-active, mainly in response to enquiries. The users we contacted commented that the ETB team was always helpful. As part of the designation as National Statistics, ONS should take steps to develop a greater understanding of the needs of current and potential users, and user views on the service provided. It should publish the relevant information and assumptions and use them to better support the use of the statistics[12] (Requirement 1). In meeting this requirement, we suggest ONS refer to the generic classes of use put forward in the Authority's monitoring brief on the use made of official statistics[13]. We also suggest that ONS consider whether to expand membership of the Income Statistics Producer Network or whether to find some other way of engaging with users, and whether to publish a record of the Network's discussions. To do this, ONS will need to discuss options with the producers of income statistics in the other government departments that belong to the Network.

3.3 The ETB team receives LCF data in July of each year, about four months after the end of the survey period. Derivation of the specialist dataset required for the ETB analysis is completed in the following February, and the first draft of the article produced within 2 to 3 weeks. The *ETB article* and *ETB bulletin* are published in May or June of that year. Although some users told us that they would like to have the statistics earlier, they understood the amount of work involved in carrying out the analysis. Some users, both inside and outside government, make direct use of the dataset and little use of either the article or the bulletin.

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[11] The Institute for Social and Economic Research (ISER) at Essex University is represented on the group, but that is because of the importance of the longitudinal survey data collected by ISER: it is a producer of income statistics as well as a user.

[12] In relation to Principle 1, Practices 2 and 5 of the Code of Practice

[13] http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/monitoring-brief-6-2010---the-use-made-of-official-statistics.pdf

Principle 2: Impartiality and objectivity

Official statistics, and information about statistical processes, should be managed impartially and objectively.

3.4 The *ETB article* and *ETB bulletin* are published in an orderly manner and in accordance with the rules on pre-release access (see Protocol 2). ONS has a pricing policy for supplementary statistical services. HMT is not charged for the preparation of its bespoke dataset (which requires about 0.5 years full time equivalent (FTE) in staff time).

3.5 The statistics and the associated commentaries and explanations are objective and impartial. They are not subject to scheduled revisions. The last time any errors had to be corrected (2003) a notice was placed on the web product page and both corrected and uncorrected versions were available for reference[14].

3.6 The change from the McClements to the OECD equivalence scale was announced in advance and is taking place over a three year period, during which time results using both scales will be available.

[14] http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15369

Principle 3: Integrity

At all stages in the production, management and dissemination of official statistics, the public interest should prevail over organisational, political or personal interests.

3.7 No incidence of political pressures, abuses of trust or complaints relating to professional integrity, quality or standards were reported to or identified by the Assessment Team. The fact that these statistics are produced by ONS, which does not have a policy interest in this area, was valued by an independent commentator who contacted the Assessment Team.

Principle 4: Sound methods and assured quality

Statistical methods should be consistent with scientific principles and internationally recognised best practices, and be fully documented. Quality should be monitored and assured taking account of internationally agreed practices.

3.8 The *ETB bulletin* contains a short summary of methods in its background notes. There are links to the *ETB article* and to an ONS webpage explaining the Gini coefficient. An annex to the *ETB article* describes the methods used to produce the statistics in more detail and provides information about the LCF, including key features of the sample, the response rate (currently 51 per cent) and weighting procedures.

3.9 The response rate to the LCF has fallen since the National Statistics Quality Review (in common with response rates generally). The survey asks individuals in responding households to keep a detailed diary of their expenditure for two weeks. To count as a response, income data must be obtained for every member of the household and a diary must be completed by the person who does most of the shopping. According to the summary quality report[15] for the LCF, there is some imputation for missing data (for example, missing diaries) and proxy responses from another member of the household are allowed in certain circumstances. We understand that the LCF will be linked to the 2011 Census as part of the Census non-response link study. This will be used to compare the characteristics of respondents and non-respondents and update the weighting procedures.

3.10 The annex to the *ETB article* includes explanations of the Gini coefficient and of equivalence scales. As noted earlier, the ETB team has published a separate article about the move to the OECD scale. There is also a table in the annex showing confidence intervals for gross and disposable income for the mean, and for the top and bottom deciles of both retired and non-retired households. We suggest that a measure of sampling error is also provided for Gini coefficients. The annex states that there will be a significant amount of non-sampling error attached to some estimates, but does not describe or quantify these. There is a summary quality report[16] for ETB on ONS's website. This provides a general description of sampling and non-sampling error but no quantitative measures. As part of the designation as National Statistics, ONS should provide more specific information about the sources and nature of non-sampling error in the ETB statistics[17] (Requirement 2).

3.11 The ETB team has made some changes to the statistics over the last few years, including the provision of information for each region of the UK and for housing tenures; the calculation of confidence intervals; and changes to the calculation of benefits in kind. This effort to make continual improvements was appreciated by the users we contacted. Apportioning benefits in kind is particularly problematic (the article points out that the assumptions made could

[15] http://www.ons.gov.uk/about-statistics/methodology-and-quality/quality/qual-info-economic-social-and-bus-stats/quality-reports-for-social-statistics/index.html

[16] http://www.ons.gov.uk/about-statistics/methodology-and-quality/quality/qual-info-economic-social-and-bus-stats/quality-reports-for-economic-statistics/index.html

[17] In relation to Principle 4 Practice 2 of the Code of Practice

be regarded as simplistic) but – as some users commented – there is no obvious way of improving on the current method.

3.12 Improvements to methods and changes in the tax and benefits system make it difficult to follow trends over time. The article advises that the results for each year are intended to be free-standing and are not designed for direct comparison (although the Gini coefficients are relatively robust). However, there are articles[18] on ONS's website that provide time series for the distribution and redistribution of income between 1977 and 2006/07, and the ETB team adds data for more recent years to the Excel tables that are linked to these articles.

3.13 The ETB team told us that they follow the recommendations of the 'Canberra' Report[19], which was written by an international expert group on household income statistics. The move to the OECD equivalence scale will also facilitate international comparisons (and comparison with HBAI, which has already adopted the OECD scale). The Canberra Report recommends completion of a 'robustness assessment report' for income distribution data and provides a template with detailed questions about sources of error and bias. We understand that such reports have not been completed for LCF/ETB, although one was done for the FRS in 2000. We suggest that ONS produce a robustness assessment when resources permit.

3.14 The data for ETB are processed independently by two analysts and any discrepancies investigated. Tables and charts are checked for consistency with earlier years and, where possible, with HBAI, retail sales or other data. Unlike DWP, ONS is not able to compare its data with tax and benefit records. We suggest that ONS explore the feasibility of doing this with DWP and HMRC.

3.15 Some users told us that they would like to have more detailed breakdowns of the data (subject to the limitations of the sample size); more detailed explanations of the assumptions made (for example in relation to taxes such as VAT); and the calculations carried out by the ETB team. Some also felt it would be helpful to have more explanation of the differences between ETB and other sources of information in this area such as the FRS/HBAI and *Consumer Trends*[20]/National Accounts *Blue Book*[21].

3.16 The information provided about methods and quality might be improved by consolidating the existing material contained in the *ETB article's* annex and the summary quality report. We suggest that there be a clearer separation under the following headings, with links to further information (for example the LCF summary quality report) as appropriate:

- data sources
- methods used to produce the estimates in the article. Detailed assumptions and calculations might be made available in a separate document or on

[18] See footnote 4
[19] The report sets out a conceptual framework for the analysis of income distribution and makes recommendations about the accounting period (one year), the unit of analysis (the household), the need for an equivalence scale and the importance of time series: http://www.lisproject.org/links/canberra/finalreport.pdf
[20] http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=242
[21] http://www.statistics.gov.uk/statbase/product.asp?vlnk=1143

request (for example, more information might be deposited alongside the dataset at the UK Data Archive)

- definitions and classifications (drawing particular attention to differences from HBAI or National Accounts)
- quality information (expanding on non-sampling error where possible)
- advice on historical comparisons and links to where such data are available.

Principle 5: Confidentiality

Private information about individual persons (including bodies corporate) compiled in the production of official statistics is confidential, and should be used for statistical purposes only.

3.17 ONS has assured us that it takes all necessary steps to protect the confidentiality of the data it collects. The ETB team follows ONS and Government Statistical Service policies on disclosure control and the handling of microdata. Geographical variables are suppressed and some variables are removed to ensure that the data remain non-identifiable.

Principle 6: Proportionate burden

The cost burden on data suppliers should not be excessive and should be assessed relative to the benefits arising from the use of the statistics.

3.18 Respondents to the LCF are informed about the aims of the survey and how the data they provide will be used. This is done via letters, leaflets, and a page on ONS's website. Further details, such as the length of interview or the time required to complete the diary are not provided. Participants are given a small incentive, as a token of thanks.

Principle 7: Resources

The resources made available for statistical activities should be sufficient to meet the requirements of this Code and should be used efficiently and effectively.

3.19 Production of ETB statistics is relatively labour intensive, requiring 1.5 FTEs. Most of this effort goes into deriving the dataset. The separate dataset compiled for HMT, which includes additional variables and employs a different system for weighting the data, requires an additional 0.5 FTE. The ETB team told us that further improvements to the benefits in kind estimates have been considered, but rejected on cost/benefit grounds.

3.20 LCF data are collected and used for a variety of other purposes, including compilation of *Consumer Trends* and the National Accounts; Consumer Price Indices and analysis of trends in nutrition for the Department for Environment, Food and Rural Affairs. The multiple uses of the survey would appear to be an effective use of resources, given the relatively small sample.

3.21 ONS has appropriate procedures for recruiting statistical staff and supporting their training and development. A competence framework is used to set the requirements of statistical posts.

Principle 8: Frankness and accessibility

Official statistics, accompanied by full and frank commentary, should be readily accessible to all users.

3.22 The commentary in the *ETB article* is well written and presented, and the concepts are explained clearly. Charts, tables and a flow diagram show the different stages of income redistribution. The tables are available as an Excel file and the ETB derived dataset is deposited with the UK Data Archive, thus assisting analysis and re-use. The *ETB statistical bulletin* provides a summary of the main findings. It includes a few charts and a table.

3.23 In addition to the data sources, there are some differences between ETB and HBAI which are not fully explained either in the article or elsewhere. For example, ETB uses annualised incomes, often split into quintiles or deciles, and treats a household as one unit. HBAI uses median weekly incomes, assigns household income to individuals, and produces a separate series after housing costs have been allowed for. ETB and HBAI have a different definition of a ‘retired household’. Some users drew attention to this lack of explanation and to occasional confusion in the media because two government departments appear to be producing different figures in the same topic area. The National Statistics Quality Review, which looked at a wider range of income statistics, recommended that a guide to income and redistribution statistics be produced. Such a guide would advise the user about which series to use for particular purposes, provide information on their different strengths and weaknesses and alert the user to future developments. ONS informed us that work on producing a guide has begun in recent months. We suggest that, resources permitting, ONS works with other government departments to complete and publish such a guide.

3.24 ONS told us that it may review the format of the *ETB article*, to make it look more like a statistical bulletin. We suggest ONS uses this as an opportunity to review the current range of ETB outputs in the light of user, and potential user, needs. There is clearly a continuing expert user audience for the statistics, centred on the redistributive effects of taxes and benefits. The focus of the ETB news release – and to a lesser extent the *ETB statistical bulletin* – on income inequality may cause the statistics to be overlooked by some users with an interest in poverty or living standards, who may consult the DWP HBAI series without being aware of the additional analysis in the ETB. We suggest that ONS ask DWP to signpost the ETB outputs from the HBAI releases.

3.25 We suggest that ONS include some international comparisons in the *ETB article*, following the move to the OECD equivalence scale.

Protocol 1: User engagement

Effective user engagement is fundamental both to trust in statistics and securing maximum public value. This Protocol draws together the relevant practices set out elsewhere in the Code and expands on the requirements in relation to consultation.

3.26 The requirements for this Protocol are covered elsewhere in this report.

Protocol 2: Release practices

Statistical reports should be released into the public domain in an orderly manner that promotes public confidence and gives equal access to all, subject to relevant legislation.

3.27 The ETB statistics are published according to a timetable that is announced well in advance, and they are accessible from the National Statistics Publications Hub. The Code requires National Statistics releases to be issued at 9.30am on the day of publication. ONS's website systems do not enable releases to be published simultaneously, which means there is sometimes a delay beyond 9.30am. ONS informed us that this matter is being reviewed as part of its web development programme, which ONS expects to be implemented on 30 April 2011. The Head of Assessment has agreed an exemption from Protocol 2 Practice 4 for ONS until the new website functionality is available. The exemption request and the Head of Assessment's response are available on the Statistics Authority's website[22].

3.28 Pre-release access to the ETB statistics is granted to Ministers and officials in HMT and DWP. The pre-release access list is published on ONS's website. We understand that it will be reduced (from 26 to 19 entries) before the 2011 outputs are published.

3.29 The *ETB article* and *ETB bulletin* include the name and contact details of the responsible statistician.

[22] http://www.statisticsauthority.gov.uk/assessment/code-of-practice/exemption-requests/index.html

Protocol 3: The use of administrative sources for statistical purposes

Administrative sources should be fully exploited for statistical purposes, subject to adherence to appropriate safeguards.

3.30 Although the LCF is the main data source, the ETB does make some use of administrative data from ONS and other government departments. These data are used to improve the quality of the estimates in some areas (this applies, for example, to income from self-employment). ONS has published a Statement of Administrative Sources[23] but the sources used by the ETB are not listed. As part of the designation as National Statistics, ONS should list the administrative sources used by the ETB in its Statement of Administrative Sources[24] (Requirement 3).

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[23] http://www.ons.gov.uk/about-statistics/ns-standard/cop/statement-of-administrative-sources/index.html

[24] In relation to Protocol 3, Practice 5 of the Code of Practice

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to the statistics covered by this assessment, in the interest of the public good. These are not formally required for designation, but the Assessment Team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

Suggestion 1	As part of documenting the use of these statistics (see Requirement 1), refer to the types of use put forward in the Monitoring Brief: *The Use Made of Official Statistics*[25] (para 3.2)
Suggestion 2	Consider whether to expand membership of the Income Statistics Producer Network or whether to find some other way of engaging with users; discuss the options with the other government departments that belong to the network; and publish a record of the Network's discussions (para 3.2)
Suggestion 3	Provide a measure of sampling error for Gini coefficients (para 3.10)
Suggestion 4	Produce a robustness assessment in line with the recommendations in the Canberra Report (para 3.13)
Suggestion 5	Explore the feasibility of comparing the ETB data with HMRC and DWP tax and benefit records, as a check on quality (para 3.14)
Suggestion 6	Consolidate the information provided on methods and quality, with a clearer separation under the following headings (para 3.16): • data sources • methods used to produce the estimates in the article • definitions and classifications • quality information • advice on historical comparisons.
Suggestion 7	Publish a guide to income and redistribution statistics in consultation with other government departments, as recommended in the National Statistics Quality Review (para 3.23)

[25] http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/monitoring-brief-6-2010---the-use-made-of-official-statistics.pdf

Suggestion 8	Review the current range of ETB outputs in the light of user, and potential user, needs (para 3.24)
Suggestion 9	Ask DWP to signpost the ETB outputs from the HBAI releases (para 3.24)
Suggestion 10	Include international comparisons in the *ETB article* (para 3.25).

Annex 2: Summary of assessment process and users' views

A2.1 This assessment was conducted from September to November 2010.

A2.2 The Assessment Team – Jill Barelli and Cathy Kruger – agreed the scope of and timetable for this assessment with representatives of ONS in September. The Written Evidence for Assessment was provided on 30 September. The Assessment Team subsequently met ONS during November to review compliance with the Code of Practice, taking account of the written evidence provided and other relevant sources of evidence.

Summary of users contacted, and issues raised

A2.3 Part of the assessment process involves our consideration of the views of users. We approach some known and potential users of the set of statistics, and we invite comments via an open note on the Authority's website. This process is not a statistical survey, but it enables us to gain some insights about the extent to which the statistics meet users' needs and the extent to which users feel that the producers of those statistics engage with them. We are aware that responses from users may not be representative of wider views, and we take account of this in the way that we prepare assessment reports.

A2.4 The Assessment Team received 13 responses from the user consultation. The respondents were grouped as follows:

ONS	2
Other government departments	5
Academic	2
Research institutes/think tanks	3
Other	1

In addition, there were two responses from data suppliers (both ONS).

A2.5 Users underlined the importance of the statistics as a source of information on the impact of taxes and benefits on household income. Most felt that the statistics were comprehensive, timely and well presented and were generally satisfied with their engagement with the ETB team. Some users called for more details about the assumptions and calculations in relation to taxes and benefits in kind, and for more explanation of the similarities and differences between the ETB statistics, DWP's HBAI statistics, and the relevant part of the National Accounts. Suppliers were aware how the data were used and had good contact and communication with the ETB team.

Key documents/links provided

Written Evidence for Assessment document

www.statisticsauthority.gov.uk