

Mr Michael Fallon MP
Sub-Committee Chairman
Treasury Select Committee
House of Commons
London SW1A 0AA

21 July 2008

Dear Mr Fallon,

**UK STATISTICS AUTHORITY RESPONSE TO 'COUNTING THE
POPULATION'**

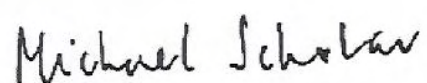
I am writing in response to the Treasury Sub-Committee's report *Counting the Population*. As we indicated in our press release of 23 May 2008, the Statistics Authority welcomes this important report. The issues it raises require, and will continue to receive, our urgent attention. We will be seeking to ensure that the Office for National Statistics, together with the government departments most involved, achieves rapid progress in improving statistics of migration and population.

We noted in the May press release that we would be considering with a range of experts from inside and outside government what further specific steps should now be taken. On 4 July we announced on the Statistics Authority website that progress in improving migration statistics is one of the priority topics on which the Authority is planning to produce reports in 2008/09. We have now decided that it will be one of the first two such reviews that we will carry out under the management of the independent Assessment function established under the Statistics and Registration Service Act 2007.

The Committee addressed 12 recommendations to the UK Statistics Authority, either in whole or in part. The Authority's response is attached - in most cases in terms of the action ONS or other government departments is currently taking. In several cases, the ONS plans are set out in some detail, we think this helps to make clear the scale of the work being undertaken.

Most of the recommendations relate directly to ONS plans. However, recommendation 16 (page 49 of the report) proposes that the Statistics Authority set objectives so as to ensure that the 2011 Census will be the last. We understand the perspective of the Committee on this point but for reasons explained in the detailed response, the Authority is not currently in a position to reach a firm view on this matter. We will set a strategic objective to review the longer term requirements for population and other census-type information beyond 2011, and the most effective way of providing that information.

Yours sincerely

A handwritten signature in black ink that reads "Michael Scholar". The signature is written in a cursive, slightly slanted style.

Sir Michael Scholar KCB
Chair of the UK Statistics Authority

Response to the Treasury Sub-Committee Inquiry into Counting the Population

We welcome the report into the GSS's effectiveness in counting the population, recognising as it does the increasing difficulties encountered in estimating the numbers of people in an area and on what basis they are there (Paragraphs 1 and 2 of the Conclusions and Recommendations, Paragraphs 7 and 48 of the main text). We attach a high priority to calculating population statistics to the level of accuracy that is needed for the increasingly diverse purposes for which they are now used (Paragraph 3 of the Conclusions and Recommendations, Paragraph 53 of the main text).

We have recognised the need to improve migration and population statistics for some time. Most recently, the National Statistician's Task Force on Migration Statistics identified the key issues in its report, published in December 2006, and made recommendations for a progressive programme of improvements in 2008-2012. A number of improvements were implemented immediately in 2007, including:

- New methods for improved distribution of international migrants between local authorities were implemented in local population estimates in August 2007
- Population churn indicators for local authorities were published in September 2007
- Report published comparing key administrative sources in terms of their potential use for estimating population/migration in September 2007 and May 2008
- Experimental estimates of short-term migration published at national level in September 2007 and updated in May 2008.

A cross-Government programme to improve migration and population statistics was announced to Parliament on 4 February 2008. The programme is being supported and monitored by a Ministerial Group, jointly chaired by John Healey MP (Minister for Communities) and Liam Byrne MP (Minister for Borders and Immigration).

A senior programme board has been set up to steer the extensive work programme, set priorities and set pace. It is chaired by the National Statistician and comprises senior officials from ONS, Department for Work and Pensions (DWP), Communities and Local Government (CLG), Home Office (HO), Department of Health (DH), the Treasury (HMT), the Bank of England (BoE), devolved administrations and the Local Government Association (LGA). In addition, Statistical Heads of Profession from the key departments provide technical/statistical oversight. The Statistics Authority will

assess the quality of the statistics that are produced. Experts and users will be engaged throughout the process.

ONS have also initiated a study into the best way of developing a more integrated system that would improve population statistics in England and Wales following the 2011 Census. This study will examine the use of registers and information from a range of administrative sources. It would provide more frequent detailed statistics on the population through making best use of information already available to government. The UK Statistics Authority fully supports this work.

In relation to the 2011 Census, funding which has now been agreed for a fourth page per person on the Census form will enable ONS to collect the broad range of population and socio-demographic information that is most needed by users (Paragraph 10 of the Conclusions and Recommendations, Paragraph 89 of the main text).

ONS comments on the specific recommendations to the UK Statistics Authority, in Paragraphs 4 to 16 of the Conclusions and Recommendations of the report, are set out below.

Responses to specific recommendations

1. We require the Statistics Authority in response to this Report to set out the steps it will take to utilise and better link data held by the Government and by local government in order to provide a more accurate picture of the population within this country. (Paragraph 4 of the Conclusions and Recommendations, Paragraph 62 of the main text)

Progress has been made towards sharing administrative data, in the context of the ONS-led cross-departmental Improving Migration and Population Statistics work programme.

The Statistics and Registration Service Act 2007 (SRSA), which came into force on 1st April 2008, allows Ministers to make regulations to enable data-sharing between the Statistics Authority and other public authorities, including government departments and agencies. While its provisions make data-sharing easier they cannot be used to compel departments to share their data. In each case the explicit approval of the Secretary of State responsible for the department involved is required for the proposed sharing of data. The Ministerial Group supporting the Programme has endorsed the use of data-sharing to improve population statistics.

Discussions are taking place with relevant Government Departments to identify data sources that are suitable for linkage and would provide a more accurate picture of the population. Priority requirements have been identified as follows:

- The Schools Census, held by Department for Children, Schools and Families (DCSF), This will improve statistics by allowing ONS to track patterns of internal and international migration in the school-aged population as well as supplying indicators of the impact of migration (e.g. pupil's first language).
- The Migrant Worker Scan, which is an extract of the National Insurance Recording System held by DWP, containing information on all overseas nationals allocated a National Insurance number in order to work or claim benefits.
- The Work and Pensions Longitudinal Study (WPLS), which links benefit and programme information held by DWP on its customers with employment records from Her Majesty's Revenue & Customs (HMRC).

The necessary draft regulations are being prepared in discussion with the departments concerned.

The use of data held by local government is discussed in the response given in Paragraph 6.

2. The Statistics Authority replace the International Passenger Survey with a new more comprehensive survey that is more suited to the accurate measurement of international movements affecting the size

of the resident population in the United Kingdom. (Paragraph 5 of the Conclusions and Recommendations, Paragraph 67 of the main text)

In 2007, ONS initiated a Port Survey Review which made recommendations for short term improvements and more substantive long term changes. On 12 June 2008 ONS reported on progress. The report can be found at:

www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/PSRStage2ProgressreportJune08.pdf

It indicates the short term improvements made in early 2008 and the work underway to develop a new survey design with a larger, main migration sample. Data for balance of payments and tourism statistics will be collected through a sub-sample.

Sampling design, questionnaire review, piloting and system development work are in progress and planned during 2008. The new survey will be introduced in 2009.

The interim improvements already made, including better coverage of regional airports, will lead to progressive improvements in statistics from 2008.

3. The Statistics Authority should establish as an immediate priority the provision of local population statistics that more accurately reflect the full range of information available about local populations and the effects of internal migration. (Paragraph 6 of the Conclusions and Recommendations, Paragraph 71 of the main text)

A key priority for the cross-Government programme to improve migration and population statistics is the improvement of local population statistics. It will achieve this by implementing the recommendations of the National Statistician's Task Force on Migration Statistics and of the final report of the ONS Local Authority Case Studies (published in February 2008).

www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/LAreport.pdf

Improvements made to the methods and sources in 2007 will have a progressive effect on local authority estimates for subsequent years (e.g. enhanced port survey sub-samples). Additional work, being undertaken (with the aim of making improvements in statistics published in 2009), includes:

- Improved methods for distribution of international migration to local authority level, making use of more timely administrative data.
- Obtaining data from the Higher Education Statistics Authority (HESA) to improve estimation of populations in areas with a high proportion of resident students. For the academic year 2007/8, this will include information on student's term-time addresses.

- Further development of the experimental short-term migration estimates to produce them at the local authority level.

Where relevant, improvements will be made to the 2008 mid year population estimates due to be published in 2009. These will also feed into the subsequent population projections.

Work underway that will lead to improvements later in the four year programme includes:

- Sharing of administrative data from School Census and DWP.
- Obtaining information directly from the new NHS Population Demographic System, which includes postcode of residence.

4. The Statistics Authority investigate the feasibility of producing population estimates based on different measures of population, such as estimates which include short-term migrants and estimates which include the day-time population of Local Authorities. (Paragraph 7 of the Conclusions and Recommendations, Paragraph 83 of the main text)

The need for population estimates based on different definitions was identified in the recommendations of the National Statistician's Task Force on Migration Statistics. As a result, ONS developed experimental estimates of short-term migration. These were first published at national level in September 2007. ONS subsequently published a report comparing combined short- and long-term migration estimates with key administrative sources on 20 May 2008. As a consequence of this assessment, improvements to the short-term migrant estimates were made. On this basis, the feasibility of producing estimates at a local authority level is now being taken forward alongside work to assess the quality and reliability of such estimates.

ONS have consulted users on the inclusion of questions on short-term migrants and second residence in the 2011 Census. Subject to Parliamentary approval, this would greatly contribute to establishing a baseline for local estimates that use different definitions of population, including short-term migrants and day time populations. The framework for this was described in "Population bases and statistical provision: towards a more flexible future" (Population Trends, 124, Summer 2006):

www.statistics.gov.uk/downloads/theme_population/PT124.pdf

5. We recommend that the Statistics Authority examine the feasibility of producing estimates of short-term migration at sub-national level, using the successor to the International Passenger Survey that we recommended earlier and a greater range of administrative data. (Paragraph 8 of the Conclusions and Recommendations, Paragraph 84 of the main text)

The development of short-term migrant estimates is being taken forward as described in the response given in Paragraph 4. Obtaining the administrative sources to do this work is described in the response given in Paragraph 1.

6. We further recommend that the Statistics Authority continue the ONS's work with Local Authorities and carries out a series of case studies to identify alternative administrative data sources. These include the National Insurance Number register, GP lists, other health service lists, council tax records, and various registers on children and school children. (Paragraph 9 of the Conclusions and Recommendations, Paragraph 85 of the main text)

ONS are working with Local Authorities through the cross-Government programme to improve migration and population statistics (see response given in Paragraph 1). As previously indicated, the senior programme board to drive the work will include senior officials from the LGA. This will ensure that local authority expertise and knowledge feeds into the work programme.

ONS have a strong history of engaging with local authorities in developing population and migration statistics. ONS worked closely with local authorities in undertaking the Local Authority Case Studies. In February 2008, ONS published a final report on these studies (see response given in Paragraph 3). This took account of discussions with local authorities about the wider relevance of the separate reports on each of the local authorities studied. Recommendations from the final report are being taken forward as part of the cross departmental work programme.

On 23 May a joint LGA/ONS workshop was held to provide local authorities with an overview of the cross-departmental programme and discuss local engagement in a number of specific areas of work, making use of relevant data sources. It is envisaged that regular workshops with local authorities will continue to be held throughout the lifetime of the programme.

Initiatives already underway to gain access to specific administrative data sources are described in the responses given in Paragraphs 1, 3 and 11. In particular, ONS is currently working with universities located within five authorities and with HESA to determine how student data might improve population statistics in 2009. It is envisaged that as implementation plans are developed for other data sources, similar focused projects will be taken forward with local authorities and other local agencies (e.g. health).

7. Although we recognise that different areas have different problems associated with counting the population and administrative registers, we recommend that the Statistics Authority produce a best practice guide. (Paragraph 9 of the Conclusions and Recommendations, Paragraph 85 of the main text)

ONS produces population statistics for local areas on a nationally comparable basis using the best available methods and sources. These are well documented and available on the National Statistics website. It is recognised

(see response given in Paragraph 3) that improvements are needed to ensure that these are fit for all the purposes for which they are now used. As improvements are made to the available sources and methods, as a result of the cross departmental programme (see response given in Paragraph 1), information on these best practices will be made widely available. As indicated in the response given in Paragraph 6, ONS will engage with local authorities and others throughout this process to ensure discussion and dissemination of best practice.

As with all National Statistics, the figures are currently produced to a set of standards, based on the Code of Practice. The Statistics Authority has now published proposals for a revision of the Code of Practice

<http://www.statisticsauthority.gov.uk/reports---correspondence/consultations/index.html>

All National Statistics will be produced in accordance with the revised requirements.

To ensure best practice in implementing improvements:

- ONS is committed to thorough and rigorous research methods in developing the new methodologies. The outcomes of this research are subjected to extensive internal and external quality assurance and consultation, to ensure that best practice is followed, and is made publicly available.
- ONS maintains a list of external experts in demographic fields who may be invited to help in the following capacities:
 - Development of new methodologies
 - Membership of technical committees
 - Authoring of articles on all aspects of demography for Population Trends, committees and other purposes
 - Professional review of internally authored articles and analyses
 - Provision of advice on technical matters
 - Consultation
 - Specifically contracted pieces of specialist research
- ONS is working with the Economic and Social Research Council (ESRC) to ensure that appropriate techniques are developed and used. The ESRC have provided £6M funding for a new Centre for Population Change from October 2008 and ONS and GRO(S) will be working closely with the Centre on these issues.

8. The Government work with the Statistics Authority to ensure that strong ethical safeguards are put in place to protect the personal information held by Government departments. (Paragraph 13 of the Conclusions and Recommendations, Paragraph 139 of the main text)

ONS attaches the highest priority to protecting the confidentiality of personal information. Its uses of administrative data are scrutinised by the relevant Departmental information governance committees. For example, patient data provision is overseen by the NHS Information Governance Board.

The Statistics and Registration Service Act (SRSA) 2007 makes unauthorised disclosure of personal information held by ONS a criminal offence (Section 39).

The Act ensures that sharing of data between the Statistics Authority and other public authorities is for statistical purposes only.

The Act also ensures that data sharing can only be done if it is in the public interest - information must be provided to show how the proposed disclosure of information is in the public interest, is proportionate and will not breach human rights or other statutory obligations.

The Cabinet Office final report on "Data Handling Procedures in Government" was published in June 2008.

www.cabinetoffice.gov.uk/reports/data_handling.aspx

ONS along with other Government departments are actively working towards meeting the recommendations. The requirements include both improved security in handling personal or sensitive information as well as reducing the risks of failing to fully exploit the information for the public good. Together these will result in improvements to the safe sharing of data.

9. The Statistics Authority to set out the action that the Authority will take under the powers of the SRSA to develop the Government's administrative databases to provide a more accurate and cost effective method of monitoring the population. (Paragraph 13 of the Conclusions and Recommendations, Paragraph 139 of the main text)

See responses given in Paragraphs 1 and 10.

10. We recommend that the Statistics Authority establish a pilot project enabling a population register to be operated alongside the 2011 Census in order to compare the effectiveness of such a system with that of the Census. (Paragraph 14 of the Conclusions and Recommendations, Paragraph 140 of the main text)

There is currently no single population register in the UK or a linked system of administrative sources that allows precise measurement of where people are in the country between censuses. Unlike some countries the UK does not have a comprehensive system of recording migrants, particularly those leaving the country, nor any legal requirement to notify change of address. In those countries that have population registers, with mandatory notification of

change of address, the registers are run primarily for administrative purposes by agencies other than the statistical offices. In those countries, for example in Scandinavia, where they are used for the production of population statistics, the register information is made available to the statistics office.

As indicated in the introductory remarks, ONS have initiated a study into developing a more integrated system to improve population statistics in England and Wales following the 2011 Census. ONS is not planning to pilot the operation of a population register alongside the 2011 Census, but will be comparing figures from the Census to a wide range of administrative sources and surveys collected or collated in 2011. This would include linking administrative data at the individual level, where possible. The uses that could be made from such an exercise for the ongoing production of population statistics will be examined. It will include a cost/benefit analysis of the likely benefits to users (including Local Authorities), and will consider legal aspects of data sharing, ethical issues and public acceptance of the statistical uses of such data.

It will be essential to have good address information, both to conduct the Census and undertake successful linkage of records. ONS is on course to develop a national single address register for one-off use in the 2011 Census. ONS plans to use address sources from Ordnance Survey, Royal Mail and the National Land and Property Gazetteer to produce a single coherent address list. To enhance further the quality of the Census single address register, ONS plans to engage address product suppliers and Local Authorities to resolve address mismatches, including conducting an on-the-ground address checking exercise across significant parts of England and Wales before Census day.

Several administrative registers provide a partial index of the population. These include the NHS central register, the new NHS Personal Demographics Service (PDS) and the National Insurance Recording System (NIRS) which includes a complete register of National Insurance Numbers (NINOs). Specific issues currently limiting the use of these sources are quality of linkage of records over time, gaps and duplication of individual information on the system, timeliness and accuracy of address information and completeness and accuracy of emigration recording.

The Citizen Information Project (CIP), completed in 2005 by a team based within ONS, reported on the value to both citizens and the public sector in greater sharing of contact details (name, address, date of birth, reference numbers) in a secure way across the public sector, including the benefits for the production of statistics.

<http://www.gro.gov.uk/cip/Definition/FinalReportAnnexes/index.asp>

11. NHS registers provide useful but limited data on population movements. We recommend that the Statistics Authority liaise with the Department of Health on the project to replace the current National Health Service Central Register to ensure that opportunities offered by a

new system for improvements in the contribution of such data to population statistics are not lost. (Paragraph 15 of the Conclusions and Recommendations, Paragraph 145 of the main text)

ONS have been in discussion with Department of Health and the NHS about the population statistics uses of the new NHS system since the NHS national programme for IT (NPfIT) was launched. Sharing of patient data for this purpose was explicitly included in Section 43 of the SRSA 2007. It is expected that data from the new system will start to replace the existing supply from health authorities and the NHS central register in 2009.

The Department of Health, ONS and the Information Centre for health and social care are working together to analyse what improvements in patient register information are needed to support resource allocation and population statistics and how the new systems can help achieve these improvements.

Department of Health is one of the Government Departments involved in the cross-Government programme to improve migration and population statistics. They have given a commitment to undertaking work to support the programme and provide additional cash funding.

12. The Statistics Authority set strategic objectives to ensure that the data gathered throughout the UK can be used to produce annual population statistics that are of a quality that will enable the 2011 Census to be the last census in the UK where the population is counted through the collection of census forms. (Paragraph 16 of the Conclusions and Recommendations, Paragraph 149 of the main text)

ONS have initiated a study into the best way of developing a more integrated system to improve population statistics in England and Wales following the 2011 Census (see response given in Paragraph 10). It is for the Scottish and Northern Ireland authorities to decide the future of Censuses in their countries.

Demand for Census information is higher than ever, both to count population and provide detailed socio-economic information for small subgroups of the population and local neighbourhoods. For the 2011 Census the review of the need for this type of information collected by the Census was initiated and carried out by ONS in 2002. A review will similarly be carried out to determine the best way to meet that need in 2021, taking account of the study into a more integrated system of population statistics and related developments. Given the higher political focus on population and migration, it may be that the review should be a cross-government review.

ONS believe that it is too early to make a firm commitment on whether or not the 2011 Census will be the last. The information traditionally provided by a Census is likely still to be needed in 2021. A traditional Census remains the norm in the majority of developed countries. In terms of timing, the Scandinavian countries took up to 30 years to move from traditional censuses

to a register based census because of the need to validate the registers – themselves established in a different legislative and politico / social climate - against the definitive census estimates. Even then, these register-based Censuses do not provide all the socio-economic data on population sub-groups at small area level that is available from a traditional census.

As indicated in response given in Paragraph 10, ONS will be vigorously taking forward feasibility work on the statistical benefits from linkage of individual-level administrative data. The outcomes of this work will provide a steer on whether these data are fit for purpose to replace a traditional Census, and if not what steps would need to be undertaken by government departments to enhance the existing administrative data they hold.

Specific issues currently limiting the use of existing administrative sources and registers are the quality of linkage of records over time, gaps and duplication of individual information on the system, timeliness and accuracy of address information and completeness and accuracy of emigration recording. ONS will be active in making sure the statistical uses of such new sources are taken into account in their development. In particular, ONS is investigating the statistical use that could be made of proposed government initiatives such as e-Borders and the foreign nationals register/ID card scheme.

Were a 2021 Census to be held, it might be very different from a traditional Census. There are several options. For example, to focus the Census on the headcount and demographic questions only, whilst boosting the Integrated Household Survey, to provide smaller area information on the characteristics of people. This is the approach being taken by the US Bureau of the Census, the culmination of development work spanning more than a decade. All this needs to be considered carefully before any decisions or recommendations are reached.