

# Assessment of compliance with the Code of Practice for Official Statistics

## Statistics on Household Projections in England

*(produced by the Department for  
Communities and Local Government)*

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### **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.

### **Contact us**

Tel: 0845 604 1857

Email: [authority.enquiries@statistics.gsi.gov.uk](mailto:authority.enquiries@statistics.gsi.gov.uk)

Website: [www.statisticsauthority.gov.uk](http://www.statisticsauthority.gov.uk)

UK Statistics Authority  
Statistics House  
Myddelton Street  
London EC1R 1UW

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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<sup>1</sup> prepared under the provisions of the *Statistics and Registration Service Act 2007*<sup>2</sup>. The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*<sup>3</sup>. The report covers the set of statistics reported in *Household Projections, England*<sup>4</sup>, produced by the Department for Communities and Local Government (DCLG).
- 1.1.2 This report is shorter than normal. In particular, section 3 adopts an ‘exception reporting’ approach - it includes text only to support the Requirements made to strengthen compliance with the *Code* and Suggestions made to improve confidence in the production, management and dissemination of these statistics. This abbreviated style of report reflects the Head of Assessment’s consideration of aspects of risk and materiality<sup>5</sup>. The Assessment team nonetheless assessed compliance with all parts of the *Code of Practice* and has commented on all those in respect of which some remedial action is recommended.
- 1.1.3 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 *Household Projections, England* can be designated as National Statistics, subject to DCLG implementing the enhancements listed in section 1.5 and reporting them to the Authority by July 2011.

## 1.3 Summary of strengths and weaknesses

- 1.3.1 DCLG presents the statistics in *Household Projections, England* clearly with good use of tables and charts and helpful commentary which explains the main trends in the statistics.

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<sup>1</sup> <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

<sup>2</sup> [http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga\\_20070018\\_en.pdf](http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf)

<sup>3</sup> <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

<sup>4</sup> <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/>

<sup>5</sup> <http://www.statisticsauthority.gov.uk/assessment/assessment/guidance-about-assessment/criteria-for-deciding-upon-the-format-of-an-assessment-report.pdf>

1.3.2 The methods used to produce the household projections are complex although DCLG has simplified and improved the methods used to produce the statistics in the latest release (see paragraph 2.3).

#### **1.4 Detailed recommendations**

1.4.1 The Assessment team identified some areas where it felt that DCLG 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**

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|----------------------|---|
| <b>Requirement 1</b> | Make more information about the quality of the statistics available to users, in particular identifying the strengths and limitations of the statistics in relation to their likely use (para 3.1). |
| <b>Requirement 2</b> | Publish a plan for assessing past performance of the projections to inform improvements to future projections once 2011 Census data are available (para 3.2).                                       |

## 2 Subject of the assessment

- 2.1 Household projections for England provide a long term view of the number and type of households based on a projected population and previous demographic trends. The household projections are based on the Office for National Statistics (ONS) subnational population projections<sup>6</sup>, using conversion factors derived from the Census. This also produces household estimates (for past years) as well as projections. The data are available by region and local authority level. DCLG told the Assessment team that the data are not suitable to produce more detailed geographic breakdowns as the ONS subnational population projections are only produced to local authority level. DCLG produces household projections each time ONS produces a new set of subnational population projections – usually every two years. The 2008-based household projections<sup>7</sup> were published in November 2010. The next release will follow the ONS 2010-based subnational population projections currently planned for publication in spring 2012.. A detailed methodology report<sup>8</sup> is published alongside the release which explains the methods used.
- 2.2 DCLG introduced changes to the methods in the November 2010 release. These changes simplified the model used to produce the projections to improve the performance of the projections. The revised methods also now give outputs by the number of households with children for the first time. DCLG consulted users about the proposed changes to the methods in March 2010 and a summary of responses and explanation of changes<sup>9</sup> made is available on the DCLG website. A consistent time series of household numbers has been revised back to 1991.
- 2.3 Household projections are important to a range of users.
- Central government – to inform national policy on future housing supply, given projected demographic demand. The statistics also inform decisions on plans for housing-associated infrastructure and services;
  - Local authorities – to inform local housing plans;
  - Utility companies – for planning future demand;
  - The construction industry – to inform business planning; and
  - Consultants and academics interested in housing and planning.
- 2.4 DCLG outsources the production of the projections. The contract to produce the projections is let through an open tender process. The commissioned contract value for the 2008-based projections was £48,525. DCLG statisticians told us that they were not able to estimate the costs of their staff who manage the external contact and produce the statistical release.
- 2.5 *Household Projections, 2008 to 2033, England* was originally planned for release in August or September 2010 but was postponed until November due to a delay in awarding the contract to produce the statistics, following the

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<sup>6</sup> <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=997>

<sup>7</sup> <http://www.communities.gov.uk/publications/corporate/statistics/2033household1110>

<sup>8</sup> <http://www.communities.gov.uk/publications/corporate/statistics/households2008methodology>

<sup>9</sup> <http://www.communities.gov.uk/publications/housing/householdprojectionresponse>

General Election. DCLG published a note on its website informing users about the delay and announced the new release date in June 2010.

### 3 Assessment findings

- 3.1 ONS publishes variant projections alongside the main population projections. These variant projections demonstrate the effect of changing the underlying assumptions, for example by introducing different birth rates or different levels of migration. DCLG includes the projected number of households using the variant population projections in *Household Projections, 2008 to 2033, England*. While the Assessment team considers the release to contain useful commentary on the methods used to produce the household projections, more information about the quality of the projections could be included – such as the extent to which subnational population projections are likely to be less accurate the further away from the base-period they are, and the less accurate the base itself is likely to be the further it is away from a Census. As part of the designation as National Statistics, DCLG should make more information about the quality of the statistics available to users, in particular identifying the strengths and limitations of the statistics in relation to their likely use<sup>10</sup> (Requirement 1).
- 3.2 DCLG does not publish any information about the accuracy of the projections in predicting growth in numbers of households. DCLG has not produced an analysis of the past performance of the household projections by comparing projected household numbers with actual outturn. DCLG told the Assessment team that an evaluation of some of the methods used to predict household numbers and composition is planned once 2011 Census data are available. As part of the designation as National Statistics, DCLG should publish its plan for assessing the past performance of the projections to inform improvements to future projections<sup>11</sup> (Requirement 2).
- 3.3 Household projections are produced separately for England, Wales, Scotland and Northern Ireland. DCLG has contributed to the *Household Projections Across the United Kingdom, Technical Report*<sup>12</sup> outlining the methods used in each country but the document does not describe the impact of the different methods when comparing household projections across the four countries. The Assessment team suggests that DCLG statisticians expand the documentation to include guidance on the use of household projections produced in each country, working with experts in the Devolved Administrations. We also suggest that DCLG explore the extent to which users would find a consistent set of UK household projections valuable.
- 3.4 DCLG has published some Excel tables containing detailed data from *Household Projections, 2008 to 2033, England*. The tables are on a separate web page from the release and are not easily accessible from the household projections landing page. We suggest that DCLG make the Excel tables accompanying the release more easily accessible to users.
- 3.5 DCLG publishes the projections two years after the reference period – and three months after ONS publishes the related subnational population projections. DCLG receive the ONS data after its publication. DCLG

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<sup>10</sup> In relation to Principle 4, Practice 1 of the *Code of Practice*

<sup>11</sup> In relation to Principle 4, Practice 2 of the *Code of Practice*

<sup>12</sup> <http://wales.gov.uk/topics/statistics/publications/technicalreport/?lang=en>

statisticians told us that they could publish the household projections earlier if they had prior access to the subnational population projections, but that previous discussion with ONS on this point had suggested little scope for improvement because the subnational population projections are only finalised shortly before their publication. Nevertheless, we suggest that DCLG explore with ONS the options for obtaining earlier access to the subnational population projections, to enable earlier publication of the household projections.

- 3.6 When DCLG publishes new household projections, previous projections data are overwritten, although the previous statistical releases are still available. DCLG told us that older versions of the data tables are available on request but that they are not published. We suggest that DCLG make the older versions of the data tables available on the website alongside the relevant statistical release.

## Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to DCLG's household projections, 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.

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|---------------------|---|
| <b>Suggestion 1</b> | Expand the documentation to include guidance on the use of household projections produced in each country, working with experts in the Devolved Administrations (para 3.3). |
| <b>Suggestion 2</b> | Explore the extent to which users would find a consistent set of UK household projections valuable (para 3.3).  |
| <b>Suggestion 3</b> | Make the Excel tables accompanying the release more easily accessible to users (para 3.4)   |
| <b>Suggestion 4</b> | Explore with ONS the options for obtaining earlier access to the subnational population projections, to enable earlier publication of the household projections (para 3.5). |
| <b>Suggestion 5</b> | Make the older versions of the data tables available on the website alongside the relevant statistical release (para 3.6).  |

## **Annex 2: Summary of assessment process and users' views**

A2.1 This assessment was conducted from November 2010 to February 2011.

A2.2 The Assessment team – Catherine Barham and Jacob Wilcock – agreed the scope of and timetable for this assessment with representatives of DCLG in November. The Written Evidence for Assessment was provided on 22 November. The Assessment team subsequently met DCLG during January 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 8 responses from the user consultation. The respondents were grouped as follows:

|  |   |
|--|---|
| Local government                       | 6 |
| Central government                     | 1 |
| Charities/Not for profit organisations | 1 |

A2.5 Users were generally satisfied with the quality of the statistics and the level of contact with the producers. Some users commented on difficulties caused by the time delay between the publication of the subnational population projections and the household projections. Two users stated that they would like to have ward-level projections.

### **Key documents/links provided**

Written Evidence for Assessment document



