
Director General for Regulation

Neil McIvor
Deputy Head of Profession for Statistics
Department for Work and Pensions
By email

26 November 2015

Dear Neil,

ASSESSMENT 319: COLD WEATHER PAYMENTS STATISTICS PRODUCED BY THE DEPARTMENT FOR WORK AND PENSIONS (DWP)

At your request, on behalf of the relevant authority listed in the *Statistics and Registration Service Act 2007*¹, the Statistics Authority has carried out an assessment of *Cold Weather Payments*² statistics against the *Code of Practice for Official Statistics*³. These statistics are published weekly during the Cold Weather Payments season (1 November to 31 March). I appreciate you putting these forward for assessment given their unusual publication arrangements.

The Cold Weather Payments scheme was introduced in December 1986 and the statistics were originally used as management information within DWP. DWP took the decision to publish these statistics in November 2010, in response to increased interest from Ministers, the media and the public as a result of a period of exceptionally cold weather, which led to increased expenditure on the scheme. The statistics were originally published as management information on any day where payments were triggered, but since November 2011 they have been published weekly throughout the season. Improvements in the release process, such as pre-announcement and restricted pre-release access of the statistical report, and the inclusion of more information on the background and methodology of the statistics, has resulted in them being released as official statistics since November 2014. It is to DWP's credit that it took the step to publish these data in an open and transparent way in response to a peak of public interest in them, and has made improvements to the way the statistics are published and presented.

Although DWP receives requests for these statistics from users outside DWP, such as via Parliamentary Questions or Freedom of Information queries, the evidence that we gathered during this assessment suggests that the main use made of the statistics continues to be within DWP, to inform decision making about Cold Weather Payments and Social Fund policies, and to assess ongoing and future expenditure on the scheme.

¹ http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/420584/cwp-weekly-stats-15-03-31.pdf

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

The assessment also identified a range of areas where improvement would be needed to bring these statistics up to the standard required of National Statistics. The Authority has therefore determined that the statistics published in *Cold Weather Payments* should not currently carry the National Statistics designation. We welcome your openness in discussing the next steps for these statistics, and we agree with your view that, given the limited public value of these statistics, the resource investment required to gain National Statistics status would not be considered good value for money at this time. We will continue to monitor the relative importance of Cold Weather Payments statistics. If there is a marked increase in public interest in these statistics we may review their status and decide whether to formally re-open this assessment.

I also welcome your commitment to implement some of the improvements that we have identified, where it is helpful, practical and proportionate to do so. We understand that for the start of the 2015/16 season you plan to increase the level of methodological detail in the statistical reports; improve descriptions of the geography used and the information on trends within the reports; and add links and contextual information around related statistics. You have also told us that during the 2015/16 season you will evaluate the information you already have available on users' needs to establish if improvements can be made, within the current resources, to better meet these needs.

The annex to this letter describes, in a format that you will be familiar with from Assessment reports produced on other DWP statistics, our findings and a summary of the evidence that contributed to our conclusions. If you would like further advice in respect of addressing any of the findings from this assessment please contact the assessment team – Donna Hosie and Tegwen Green.

The Authority remains committed to assessing less conventional statistical products against the Code of Practice. We will continue to explore with DWP, and other producers of official statistics, the range of products that can be covered by the National Statistics designation, including those produced on a real-time basis.

I am copying this letter to John Pullinger, the National Statistician; David Frazer, DWP's statistical Head of Profession; the DWP statisticians – Josephine Daniels, Tetyana Mykhaylyk, and Stephen Balchin; Donna Hosie and Tegwen Green; and Charles Lound from the GSS Good Practice Team.

Yours sincerely,



Ed Humpherson

Annex

Assessment findings

Summary of findings

In assessing DWP's Cold Weather Payment statistics against the Code of Practice for Official Statistics the Authority has concluded that in order for these statistics to fully comply with the Code and hence gain National Statistics status, DWP would need to:

1	Collect and publish information on the uses, users, and users' views of the Cold Weather Payments statistics (para 1).
2	Directly consult other relevant government departments and organisations about future changes to the Cold Weather Payments scheme and subsequent statistical report (para 2).
3	a) Investigate users' need for data at different geographies; and b) Publish the results of this investigation, including details of how this will impact on future Cold Weather Payments statistics (para 3).
4	Publish information about: a) How users can provide feedback on the Cold Weather Payments statistics; b) What feedback has been received by DWP already; and c) How it has been taken account of in the production of <i>Cold Weather Payments</i> (para 4).
5	Publish more detailed documentation on: a) The methodology used to produce these statistics; b) The impact this methodology has on the quality and reliability of the statistics; and c) The strengths and weaknesses of the statistics (para 5).
6	Publish information on: a) The number and location of the weather stations used in the Cold Weather Payments scheme; b) The impact on the statistics of any changes to the number and location of weather stations used; and c) The methodology used to build up the weather stations geography from postcode sectors (para 6).
7	a) Publish information about the quality of the Cold Weather Payment statistics to allow users to judge whether the quality of them is sufficient to meet their needs; and b) Publish analysis of the differences between actual and estimated expenditure over time, including the annual reconciliation between Cold Weather Payments estimates and the actual expenditure recorded in Social Fund Accounts and DWP Benefit Expenditure Tables, and explain the possible reasons for any

	discrepancies (para 8).
8	a) Publish more-detailed information about the audit and quality assurance arrangements in place for Cold Weather Payments statistics; and b) Update its Statement of Administrative Sources (SoAS) to include <i>Cold Weather Payments</i> and the administrative data sources used in the production of these statistics (para 9).
9	Provide the Authority with assurance that the resources that it has allocated to the production of Cold Weather Payments statistics are sufficient to meet the standards of the Code (para 10).
10	Publish analysis of the trends in Cold Weather Payments statistics (para 11).
11	Publish, or improve navigation to, relevant information on other related statistics, such as the Social Fund Annual Report, Winter Fuel Payment, and fuel poverty (para 12).
12	Make better use of charts, maps and tables to enhance the user experience (para 13).
13	Publish the data associated with <i>Cold Weather Payments</i> in an open format that equates to at least a three-star level under the Five Star Scheme (para 14).

Detailed findings

User engagement and meeting users' needs

- 1 The statistics team engages effectively with users within DWP, including monthly meetings with relevant policy colleagues to discuss a range of social justice issues. The statistics team works closely with the Cold Weather Payments policy team, with daily communication in person or via email. The statistics team also attends an annual meeting with the Met Office to discuss the coverage areas for each weather station used in the scheme. However, engagement with users outside DWP is very limited. The statistics team told us that it does not proactively engage with other users, and that their needs were not well understood. DWP has published no documentation on the uses and users of Cold Weather Payments statistics. One user told us that they would like more information on how the Cold Weather Payments statistics are used by central government. In order to comply with the *Code of Practice*, DWP would need to collect and publish information on the uses, users, and users' views of the Cold Weather Payments statistics (Finding 1). We suggest that in addressing this finding, DWP may find it helpful to refer to the types of use put forward in the Statistics Authority's Monitoring Brief, *The Use Made of Official Statistics*⁴.

⁴ <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-reviews/monitoring-brief-6-2010--the-use-made-of-official-statistics.pdf>

- 2 The Cold Weather Payments scheme has undergone a number of changes throughout the years. Users within DWP have been consulted on these changes but they are not widely acknowledged, explained or publicised to the users beyond the department. For example, there has been no consultation with the wider user community on the impact of the introduction of Universal Credit, and the future devolution of the Cold Weather Payments scheme to the Scottish Parliament following the Smith Commission⁵. In order to comply with the *Code of Practice*, DWP would need to directly consult other relevant government departments and organisations about future changes to the Cold Weather Payments scheme and subsequent statistical report (Finding 2).
- 3 One user told us that they would like the data to be provided at more-detailed geographies, such as parliamentary constituencies or local authorities. The statistics team told us that it only receives data for weather station areas and these cannot be broken down into other geographies. To produce data at different geographical breakdowns would require more scans of the data to be run, which would be both time consuming and costly. DWP told us that due to increased demand on resources for other products, such as implementing welfare reform changes, along with 'continuing efficiency challenges', additional resource could not be found to produce more-detailed Cold Weather Payments data (see para 10 for more detail). However, this has not been made clear to users of the statistics. In order to comply with the *Code of Practice*, DWP would need to: a) investigate users' need for data at different geographies; and b) publish the results of this investigation, including details of how this will impact on future Cold Weather Payments statistics (Finding 3).
- 4 DWP does not produce a statistical or business plan to show how it prioritises its work or takes users' needs into consideration. However, DWP keeps a log of all incoming queries – statistical and policy – received on all elements of the Social Fund, which includes Cold Weather Payments. The statistics team conducts an annual review of the queries to identify common queries about the Cold Weather Payments statistics and assess whether improvements could be made to the content of *Cold Weather Payments* to address user demand – for example, additional breakdowns have been added for recipients on Pension Credit, and national totals for England, Scotland and Wales. The statistics team has some anecdotal evidence that since making these changes the number of queries has reduced, indicating that the statistical report better meets users' needs. However, there is no formal documentation about how users should feedback to the statistics team or how such feedback would be taken into account. The statistics team told us it plans to include clearer contact details in the next publication of *Cold Weather Payments*. In order to comply with the *Code of Practice*, DWP would need to publish information on: a) how users can provide feedback on the Cold Weather Payments statistics; b) what feedback has been received by DWP already; and c) how it has been taken account of in the production of *Cold Weather Payments* (Finding 4). As part of addressing this finding DWP should consider proactively engaging with users who have previously raised queries in order to help shape future changes.

⁵ https://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

Sound methods and assured quality

- 5 The methodology section of *Cold Weather Payments* gives a brief summary of how the statistics are produced but there is limited explanation of why particular choices have been made. The statistical report does not provide enough information about strengths and weaknesses of the data. It does highlight some caveats around the use of the data, but it does not explain the impact of these caveats on the quality and reliability of the data. In order to comply with the *Code of Practice*, DWP would need to publish more-detailed documentation about: a) the methodology used to produce these statistics; b) the impact this methodology has on the quality and reliability of the statistics; and c) the strengths and limitations of the statistics (Finding 5).
- 6 DWP's policy team (in conjunction with the statistics team and Met Office) has made changes to the number and location of weather stations used in the scheme since the statistics were first produced. The statistical bulletin does not provide any information about these changes or explain the impact that these changes may have on the statistics. Neither does it provide any information on why 93 weather stations were selected, or how the postcode sectors are assigned to the weather station areas. In order to comply with the *Code of Practice*, DWP would need to publish information on: a) the number and location of the weather stations used in the Cold Weather Payments scheme; b) the impact on the statistics of any changes to the number and location of weather stations used; and c) the methodology used to build up the weather stations geography from postcode sectors (Finding 6).
- 7 The Cold Weather Payments statistics are estimates of the number of recipients of Cold Weather Payments and the related expenditure, which is made clear throughout the statistical report. DWP told us that it is too costly and time consuming to run the scans needed to determine actual numbers on a weekly basis, so a one-off scan is carried out at the start of the season to see how many people are eligible for Cold Weather Payments at that point in time. The data from this scan are then adjusted to take account of the projected flows on and off benefit that occur during the winter. This final estimate of the number of people eligible for Cold Weather Payments is assumed to be the same all the way through the Cold Weather Payments season. This one-off annual adjustment at the start of the season is based on detailed analysis that was done on the 2010/11 data to compare actual and estimated caseload and expenditure. The statistics team carries out a more basic comparison of the estimates with the latest actual expenditure from DWP account information, which is available in the Social Fund Accounts⁶ and the DWP Benefit Expenditure Tables⁷. This analysis is produced each year to provide the statistics team with reassurance of the quality of the estimates. The statistics team does not publish any details of this high-level reconciliation and there are no links to or from the Social Fund Accounts or the Benefit Expenditure Tables from *Cold Weather Payments*.
- 8 DWP told us that the differences between the actual and estimated expenditure have not been large since the estimates have been used as the

⁶ <https://www.gov.uk/government/publications/social-fund-account-2014-to-2015>

⁷ <https://www.gov.uk/government/statistics/benefit-expenditure-and-caseload-tables-2015>

main Cold Weather Payments statistics in 2011/12, and it therefore considers it too costly, and not good value for money, to carry out the more-detailed analysis on a regular basis. However, DWP does not publish any information to help users understand the quality of the statistics, such as analysis comparing the estimates produced in *Cold Weather Payments* with the actual expenditure data once they are known. It also does not provide users with any guidance on how they could carry out this analysis themselves, or highlight where discrepancies may occur between the two sets of data. For example, it does not explain that there is a time lag between the period of cold weather and actual payments being made; meaning the actual expenditure may be counted in the following financial year. Due to the lack of information provided about the quality of the estimates and how they compare with the actual expenditure, users are therefore not able to assess whether they are fit for purpose. In order to comply with the *Code of Practice*, DWP would need to: a) publish information about the quality of the Cold Weather Payment statistics to allow users to judge whether the quality of them is sufficient to meet their needs; and b) publish analysis of the differences between actual and estimated expenditure over time, including the annual reconciliation between Cold Weather Payments estimates and the actual expenditure recorded in Social Fund Accounts and DWP Benefit Expenditure Tables, and explain the possible reasons for any discrepancies (Finding 7). As part of addressing this finding, DWP would need to consider providing links from *Cold Weather Payments* to the Social Fund Accounts or the Benefit Expenditure Tables.

- 9 *Cold Weather Payments* uses data from two DWP administrative data sources – the Income Support Computer System and the Jobseekers Allowance Computer System. It also uses scientific administrative data sourced from the Met Office. DWP’s Statement of Administrative Sources⁸ (SoAS) does not include *Cold Weather Payments*, and does not mention the data from the Met Office. The SoAS contains some generic information about audit arrangements that are in place throughout DWP to quality assure administrative data sources, but there is nothing on specific outputs. We consider that statistical producers should determine the types of assurance and documentation required to inform users about the quality assurance arrangements for administrative data. The Authority published a regulatory standard⁹ that confirms the quality assurance arrangements that are required for statistics compiled using administrative data to comply with the *Code of Practice*. The basic level of assurance, the minimum required in order to comply with the Code, requires the statistical producer to review and publish a summary of the administrative data quality assurance arrangements. There is currently no published documentation about what checks are done by the Cold Weather Payments statistics team to assure itself of the quality of the administrative data that it uses. In order to comply with the *Code of Practice*, DWP would need to: a) publish more-detailed information about the audit and quality assurance arrangements in place for Cold Weather Payments statistics; and b) update its SoAS to include *Cold Weather Payments* and the

⁸https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/324498/DWP_Statement_of_Administrative_Sources.pdf

⁹<http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/index.html>

administrative data sources used in the production of these statistics (Finding 8). As part of addressing this finding, DWP should consider using the Authority's *Administrative Data Quality Assurance Toolkit*¹⁰.

Resources

- 10 DWP told us that this assessment occurred at a time of limited resources due to increased demand as a result of welfare reform changes, and tightening budget constraints. DWP is therefore focussing its resources at products of high public value. The extended roll out of Universal Credit in 2015/16 and the potential devolution of the Cold Weather Payments scheme to Scotland in 2016/17 could have a considerable impact on the future coverage of the Cold Weather Payments statistics. The statistics team told us that it has limited knowledge of the use made of Cold Weather Payments statistics outside DWP and a better understanding of this is likely to be fundamental to any decision on future funding for improvements to the statistics. In order to comply with the *Code of Practice*, DWP would need to provide the Authority with assurance that the resources that it has allocated to the production of Cold Weather Payments statistics are sufficient to meet the standards of the Code (Finding 9)

Publications, Dissemination and Accessibility

- 11 The commentary in *Cold Weather Payments* provides information on the Cold Weather Payments for that week, and the year to date, but includes no trend data to explain any changes over time, either within a given season, or comparisons across the seasons. In order to comply with the *Code of Practice*, DWP would need to publish analysis of the trends in Cold Weather Payments statistics (Finding 10).
- 12 *Cold Weather Payments* contains a background section which provides some context on the administration of the scheme, a summary of qualifying recipients' eligibility criteria, and the role of the Met Office in supplying daily average temperatures data. However, there is limited information on, or links to, other relevant statistics or schemes. For example, no reference is made to the Social Fund Annual Report¹¹, which contains additional information on the weather stations used in the scheme, which is not published in *Cold Weather Payments*. There is also no information about how these statistics relate to Winter Fuel Payment or fuel poverty statistics. In order to comply with the *Code of Practice*, DWP would need to publish, or improve navigation to, relevant information on other related statistics, such as the Social Fund Annual Report, Winter Fuel Payment, and fuel poverty (Finding 11).
- 13 More use could be made of maps, charts and tables in *Cold Weather Payments* to aid users' interpretation of the statistics. The statistical report only contains two tables. There are no charts and no maps. In particular, there are no maps to show the boundaries of the weather station areas, which makes it difficult for potential recipients to establish whether they are eligible for the payment, and limits users' understanding of the statistics. The

¹⁰ <http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/quality-assurance-toolkit.pdf>

¹¹ <https://www.gov.uk/government/publications/social-fund-annual-report-2014-to-2015>

statistical report does contain a link to the scheme legislation¹², which provides a list of which postcode sectors are assigned to each weather station, but this list is not presented in an easily searchable format. DWP told us that it used to publish a tool on its website which allowed potential recipients of Cold Weather Payments to easily determine whether they were due to receive a payment. DWP are currently developing a new version of this tool, which will be updated daily with the weather stations that have triggered, and how often, during the winter to date. The re-introduction of this tool would enable potential recipients to obtain details of how many Cold Weather Payments they should be expecting to receive by entering their postcode. In order to comply with the *Code of Practice*, DWP would need to make better use of charts, maps and tables to enhance the user experience (Finding 12). As part of addressing this finding, DWP should consider producing a more user friendly method to enable potential recipients of Cold Weather Payments to identify which weather station area they are in and which areas have had a trigger.

- 14 *Cold Weather Payments* is published in PDF format. It contains two tables, which are not available in any other format. This equates to one star under the Five Star Scheme that forms part of the Open Standards Principles proposed in the Open Data White Paper: Unleashing the Potential¹³ and adopted as government policy in November 2012¹⁴. In order to comply with the *Code of Practice*, DWP would need to publish the data associated with Cold Weather Payments in an open format that equates to at least a three-star level under the Five Star Scheme (Finding13).

¹² <http://www.legislation.gov.uk/id/uksi/2014/2687>

¹³ http://data.gov.uk/sites/default/files/Open_data_White_Paper.pdf

¹⁴ <https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles>