

Assessment of Child Benefit Statistics

*produced by Her Majesty's Revenue
and Customs*

Assessment Report 23

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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.

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ASSESSMENT AND DESIGNATION

Under the provisions of the *Statistics and Registration Service Act 2007*, the UK Statistics Authority has a statutory function to assess sets of statistics against the Code of Practice for Official Statistics, with a view to determining whether it is appropriate for the statistics to be designated, or to retain their designation, as National Statistics.

Designation as National Statistics means that the statistics are deemed to be compliant with the Code of Practice. Whilst the Code is wide-ranging, designation may be broadly interpreted to mean that the statistics meet identified user needs; are produced, managed and disseminated to high standards; and are well explained.

Designation also signifies that, subject to any caveats in this report, the Statistics Authority judges that the statistics are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest.

Assessment reports will not normally comment further, for example on the validity of the statistics as a social or economic measure; though reports may point to such questions if the Authority believes that further research would be desirable.

Designation as National Statistics will sometimes be granted in cases where some changes still need to be made to meet fully the requirements of the Code, on condition that steps are taken by the producer body, within a stated timeframe, to address the weaknesses. This is to avoid public confusion and does not reduce the obligation to comply with the Code.

Designation is granted on the basis of the information provided to the Statistics Authority, primarily by the organisation that produces the statistics. The information includes a range of factual evidence and also assurances by the producer organisation. The views of users are also sought. Should further information come to light subsequently which changes the Authority's analysis, the Assessment report may be withdrawn and revised as necessary.

Once designated as National Statistics, it is a statutory requirement on the producer organisation to ensure that the set of statistics continues to be produced, managed and disseminated 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 prepared under the provisions of the *Statistics and Registration Service Act 2007*¹. The report covers *Child Benefit Statistics*, produced by the HM Revenue and Customs (HMRC). This presents statistics on the number of families in the UK in receipt of child benefit and the number of children for whom the benefit was paid. The statistics are released in quarterly² and annual³ reports.

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 confirms that the quarterly and annual statistics published in *Child Benefit Statistics* are designated as National Statistics, subject to HMRC implementing the enhancements listed in section 1.5 below and reporting them to the Authority by March 2010.

1.3 Summary of strengths and weaknesses

1.3.1 The Statistics Authority is satisfied that HMRC's *Child Benefit Statistics* are compliant with most aspects of the Code of Practice. Statistics are disseminated openly and the quarterly release contains helpful summaries, tables and graphs. Interpretation of the statistics would be aided by additional metadata and commentary, particularly in the annual release.

1.3.2 The loss of discs containing names and details of child benefit claimants in 2007 (see section 2.3) led to a lock-down of the administrative system. The consequence of this was a delay in statisticians receiving copy extracts of the data to their analytical environment which caused a break in the series of two years for the quarterly data and three years for the annual data. HMRC plans to produce a back series for the annual data and a decision has yet to be made for the quarterly data. The production of an annual back series should be given high priority to ensure continuity of outputs.

1.3.3 There is little evidence of consultation with users and potential users. HMRC should systematically identify users and engage with them, not least to understand the ways in which the statistics are used.

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

² http://www.hmrc.gov.uk/stats/child_benefit/quarterly.htm

³ http://www.hmrc.gov.uk/stats/child_benefit/geographical.htm

1.4 Detailed recommendations

- 1.4.1 The Assessment team identified some areas where it felt that HMRC 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 below. 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 engage more effectively with users, and make those steps known (para 3.2).
Requirement 2	Publish a timetable for the annual publication twelve months in advance, including when the backdated timeseries will be available (para 3.3).
Requirement 3	Provide an explanation for the gaps in the quarterly and annual series on HMRC's website, and publish plans to reinstate the statistics (para 3.5).
Requirement 4	Publish details of confidentiality protection on HMRC's website (para 3.10).
Requirement 5	Publish appropriate metadata, including validation and quality assurance processes alongside the statistics (para 3.16).
Requirement 6	Publish fuller commentary on recent trends in child benefit statistical releases, in order to enhance users' interpretation of the statistics (para 3.18).
Requirement 7	Ensure future child benefit statistics are made available via the National Statistics Publication Hub (para 3.25).
Requirement 8	Include the name of the statistician responsible on statistical releases (para 3.26).
Requirement 9	Publish a Statement of Administrative Sources (3.27).

2 Subject of the assessment

- 2.1 Statistics on recipients of child benefit are derived from administrative data produced from the Child Benefit Computer System (CBCS). Responsibility for the statistics was moved from DWP to HMRC in April 2003.
- 2.2 Child benefit is available for families with children aged up to 16, or up to 20 in full-time education or certain types of training. The level of payment depends only on the number of children in the family and is not income based ('means tested'). Uptake is estimated to be approximately 98% and consequently the statistics are primarily used as a detailed proxy for the location and ages of children in the UK. The importance of these statistics relates to their strength in quality assuring other statistical series. The statistics are used by the Office for National Statistics in the calculation of mid-year population estimates and feed into the grossing regime for the Family Resources Survey. The data are used within HMRC for policy development and evaluation and the analysis of benefit take-up. They also feed into the creation of the Indices of Multiple Deprivation for the separate countries of the UK.
- 2.3 In October 2007, the loss of data relating to child benefit recipients resulted in the suspension of data transfers from DWP to HMRC and the initiation of a review of the data transfer process. The supply of data from DWP to HMRC for analytical purposes has now been reinstated although work is still ongoing to ensure a continued supply in future. The aim is to reinstate the publication of the annual statistics in the early part of 2010.
- 2.4 HMRC plans to publish a back series for the missing annual data although the exact date is not yet known. HMRC considers that it is possible to recreate the missing quarterly statistics on the same basis as the earlier published figures. It may also be possible to model the quarterly figures from the annual data due to the consistent pattern between the two datasets. HMRC is currently carrying out a prioritisation exercise to identify whether there is sufficient resource to carry out this work.
- 2.5 Until October 2007, quarterly child benefit statistics were produced in February, May, August and November each year based on a random 5% sample of live awards. Statistics for May 2003 to August 2007 are available on HMRC's website. Annual statistics are produced using all live child benefit awards as at August each year, but also include backdated awards to give a more complete picture and are available on HMRC's website from 2003 to 2006.
- 2.6 The annual figures are considered to be the best available estimates of the number of families receiving child benefit and their children. This is due to the inclusion of awards not actually made at the time of the quarterly extract but later revised so that entitlement covers that date. Both the quarterly and annual statistics contain information on families receiving child benefit and the number and ages of their children. As the annual figures are a virtually complete count of claimants and their families, the data are of sufficient quality to produce information at Government office region, local authority and parliamentary constituency levels. Annual statistics are also available for lower layer super output areas on the Neighbourhood Statistics website.

2.7 Whereas the previous system of delivering the data from the CBCS was notionally free of charge, the new system has costs associated with the secure electronic transfer and storage of data. The majority of these costs are incurred by DWP in sending the data securely to HMRC. This arrangement is managed under a Service Level Agreement.

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 HMRC statisticians are aware of the uses of Child Benefit statistics within HMRC but have less information about wider uses. HMRC policy currently prevents any log of user hits or downloads from the website. Users mainly contact HMRC with any queries via the phone number included in the release. HMRC holds a record of names and organisations contacting the producers in this way, but this is not updated regularly.
- 3.2 There is a shortage of systematic documentation about the external uses and users of statistics. Some wider engagement with users has been made through presentations to local authorities at relevant events, but the Assessment team would expect to have seen more evidence of similar events designed to identify and engage with other users. As part of the designation as National Statistics, HMRC should take steps to engage more effectively with users, and make those steps known⁴ (Requirement 1).
- 3.3 Users who responded to us reported poor levels of communication regarding data production and supply issues particularly in relation to the annual *Child Benefit Statistics* publication. In previous years, the month of publication has varied which users found difficult for forward planning. The data loss in 2007 has led to a break in the series for quarterly and annual statistics. HMRC plans to publish a back series of annual data for 2007 and 2008 once figures for 2009 have been released in Spring 2010. HMRC should publish a timetable for the annual publication twelve months in advance, including when the backdated time series will be available, and communicate this to users as part of the designation as National Statistics⁵ (Requirement 2).

⁴ In relation to Principle 1 Practice 1 and Principle 1 Practice 2 of the Code of Practice

⁵ In relation to Principle 1 Practice 1 and Principle 1 Practice 2 of the Code of Practice

Principle 2: Impartiality and objectivity

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

- 3.4 Statistics are published in an orderly and timely manner. HMRC provides additional analyses free-of-charge and prioritises according to the resource required, irrespective of the source of the request.
- 3.5 There is currently no information published on the break in the data series, nor of any plans to reinstate the statistics (see paras 2.3 and 2.4). As part of the re-designation as National Statistics, HMRC should provide an explanation for the gaps in the quarterly and annual statistics, and publish plans to reinstate the series on the website⁶ (Requirement 3).

⁶ In relation to Principle 2 Practice 2 and Principal 2 Practice 4 of the Code of Practice

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.

- 3.6 No incidents of political pressure, abuse of trust or complaints relating to professional integrity, quality or standards were reported to or identified by 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.

- 3.7 All data are directly drawn from the CBCS. Prior to the data loss in 2007, quarterly 5% sample extracts were delivered to analysts in Knowledge, Analysis and Intelligence (KAI), the analytical directorate of HMRC, via DWP where some additional processing and conversion took place. Since 2007, HMRC has been working on a new process to deliver quarterly 100% extracts to the same timetable as previous 5% extracts. In the new process, data would be extracted directly from CBCS and sent securely and electronically to the KAI data warehouse. The new process still involves the transfer of data via DWP who make a charge for each data extract. Discussions are ongoing over whether a quarterly series will be published in addition to the annual series, given the new system will deliver complete extracts for both. The Assessment team suggests that users' views be collected and considered as part of this process.
- 3.8 Quality assurance procedures are in place to ensure duplicate records are removed and figures are checked for consistency with forecasts and trend data.

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.

- 3.9 Following the data loss, Kieran Poynter⁷ conducted and published (in 2008) *A Review of Information Security at HMRC*. The Review concluded that one of the specific factors contributing to the loss of data was the use of insecure methods of data storage and transfer. It recommended that transfers of digital data involving physical media should be phased out completely. Prior to the data loss, child benefit data were delivered via physical media and placed onto a local server environment for analysis and production of the releases. The new system of delivering the data uses more secure and faster methods of electronic data transfer, and improves the security of data storage and analysis.
- 3.10 Confidentiality has been given high priority in developing the new processes for extracting the data from CBCS and secure transfer to HMRC. As part of the re-designation as National Statistics, details of the arrangements for confidentiality protection should be published on HMRC's website⁸ (Requirement 4).
- 3.11 Procedures are in place to ensure estimates are rounded or suppressed to ensure that disclosure of individual information is not possible. Rounding conventions are included in the statistical releases.

⁷ http://www.hm-treasury.gov.uk/poynter_review_index.htm

⁸ In relation to Principle 5 Practice 4 of the Code of Practice.

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.

- 3.12 The statistics are produced from data held in an administrative system. The majority of the costs involved in the production of the statistics are incurred during the transfer of data from DWP to HMRC. Details of the burden costs on suppliers are not currently published although there was no evidence of excessive burden on suppliers.

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.

- 3.13 Adequate resources appear to be available to deliver the reinstated annual statistics and associated back series. A decision has yet to be made on whether the resource is available to deliver the quarterly publication and possible backseries.
- 3.14 The number of variables now supplied for the reinstated statistics has been reduced to only those required for statistical analysis and policy work. This reduces the size of the files and therefore the associated transfer and storage costs.
- 3.15 Staff are recruited using appropriate recruitment practices and competence frameworks are in place for analytical staff.

Principle 8: Frankness and accessibility

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

- 3.16 Information explaining the differences between the quarterly and annual statistics is included in regular statistical releases. Further information including administrative procedures, concepts and definitions and validation and quality assurance checks is included in a document only available via the Neighbourhood Statistics website. This document also refers to a 98% uptake of child benefit which is not mentioned in the statistical releases. As part of the re-designation as National Statistics, appropriate metadata (including validation and quality assurance processes) should be published alongside the statistical releases, on HMRC's website⁹ (Requirement 5).
- 3.17 The format of both the quarterly and annual release has remained unchanged since the transfer from DWP in April 2003. It would be useful for HMRC to carry out a review of the release content and format with known internal and external users to ensure that it meets their needs.
- 3.18 The quarterly release includes a section entitled *Introduction and key figures*, which provides useful trend information about changes in the statistics since the previous quarter. The annual publication does not currently include this commentary or indeed any commentary to identify noteworthy aspects of these statistics. As part of the designation as National Statistics HMRC should ensure that statistical releases on child benefit be accompanied by fuller commentary on recent trends in order to enhance users' interpretation of the statistics¹⁰ (Requirement 6).
- 3.19 HMRC reviewed the differences between the quarterly and annual child benefit statistics in 2006, and a summary of the adjustments made was published with the August 2006 release. As a result of the review, the annual statistics were identified as the best estimates of numbers of child benefit recipients. The Assessment team felt that this information could be made available separately on HMRC's website as important information for users
- 3.20 Small area annual information is available for 2004 to 2006 through the Neighbourhood Statistics website. Extending the information available in this way would be valuable once the annual data are reinstated and the back series published.
- 3.21 Statistics on child benefit claimants prior to 2003 are available on the DWP website but for Great Britain only. Child benefit figures for Northern Ireland prior to 2003 are published separately by Department for Social Development in Northern Ireland. The Assessment Team suggests that HMRC include a reference to the separate release of child benefit figures for Great Britain and Northern Ireland prior to 2003 in publications.

⁹ In relation to Principle 8 Practice 1 of the Code of Practice

¹⁰ In relation to Principle 8 Practice 2 of the Code of Practice

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.

3.22 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.

- 3.23 The date of the next publication of child benefit statistics is currently included in the preceding publication. A timetable for the forthcoming twelve months should be published, as already noted under Principle 1.
- 3.24 Pre-release access to child benefit statistics is provided to 19 officials in HMRC and the Treasury. A full list of those given pre-release access is published on HMRC's website.
- 3.25 The statistics are not currently available on the National Statistics Publication Hub due to the suspension of the Child Benefit statistics publication in 2007. As part of the re-designation as National Statistics, HMRC should ensure future child benefit statistics are made available via the National Statistics Publication Hub¹¹ (Requirement 7).
- 3.26 A phone number to contact for enquiries and further information is included on the release but not the name of the relevant statistician. As part of the re-designation as National Statistics, HMRC should include the responsible statistician's name in future releases¹² (Requirement 8).

¹¹ In relation to Protocol 2 Practice 3 of the Code of Practice

¹² In relation to Protocol 2 Practice 6 of the Code of Practice

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.

3.27 HMRC should prepare and publish a Statement of Administrative Sources as part of the re-designation as National Statistics¹³ (Requirement 9).

¹³ In relation to Protocol 3 Principal 4 of the Code of Practice

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to the *Child Benefit Statistics* publication, in the interest of the public good. These are not formally required for re-designation, but the Assessment team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

- | | |
|---------------------|--|
| Suggestion 1 | Collect and consider users' views to aid the decision on whether to reinstate the quarterly release (para 3.7). |
| Suggestion 2 | Carry out a review of the content and format of the release with users (para 3.17). |
| Suggestion 3 | Make the findings of the review of the differences between the quarterly and annual child benefit statistics available on HMRC's website (para 3.19). |
| Suggestion 4 | Publish small area information and associated back series on the Neighbourhood Statistics website once the data are reinstated (para 3.20). |
| Suggestion 5 | Include a reference to the separate release of child benefit figures for Great Britain and Northern Ireland prior to 2003 in publications (para 3.21). |

Annex 2: Summary of assessment process and users' views

A2.1 This assessment was conducted from July to November 2009.

A2.2 The Assessment team agreed the scope of and timetable for this assessment with representatives of the HMRC in July 2009. The Written Evidence for Assessment was provided on 4 September 2009. The Assessment team subsequently met with HMRC during October 2009 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 The user/supplier consultation was carried out in conjunction with the consultation for the (forthcoming) assessment of *Child and Working Tax Credit Statistics*. The Assessment team received 11 responses from the user consultation. The respondents were grouped as follows:

Local government	1
Central government	2
Devolved administrations	3
Academic	1
Charities/Not for profit organisations	1
Other	3

A2.4 Some users were satisfied with child benefit statistics and mentioned the clarity of the publication and accessibility of the data. There were concerns about the gap in the series as a result of the data loss and plans for reinstating the statistics. Some issues were raised about timeliness of the data and the level of detail available.

Key documents/links provided

Written Evidence for Assessment document

http://www.hmrc.gov.uk/stats/child_benefit/quarterly.htm

http://www.hmrc.gov.uk/stats/child_benefit/geographical.htm

List of assessment reports published to date¹⁴

1. Statistics from the National Drug Treatment Monitoring System
National Treatment Agency for Substance Misuse
2. Recorded Crime in Scotland
Scottish Government
3. Statistics on Enrolments at Schools and in Funded Pre-School Education in Northern Ireland
Department of Education, Northern Ireland
4. Road Casualty Statistics
Department for Transport
5. UK Energy Sector Indicators
Department of Energy and Climate Change
6. Statistics on Road Freight
Department for Transport
7. Prison Population Projections
Ministry of Justice
8. Migration Statistics
Office for National Statistics
9. Statistics on International Development and the ODA:GNI Ratio
Department for International Development
10. The Scottish Health Survey
Scottish Government
11. Scottish House Condition Survey
Scottish Government
12. Scottish Crime and Justice Survey
Scottish Government
13. Statistics on Children Looked After by Local Authorities in England
Department for Children, Schools and Families
14. Statistics on Children Looked After by Local Authorities in Scotland
Scottish Government
15. Statistics on Children Looked After by Local Authorities in Wales
Welsh Assembly Government
16. Statistics on Children Looked After by Health and Social Care Trusts in Northern Ireland
Department of Health, Social Services and Public Safety, Northern Ireland
17. Wealth in Great Britain
Office for National Statistics
18. Statistics on the National Child Measurement Programme
NHS Information Centre
19. Average Weekly Earnings
Office for National Statistics
20. Energy Statistics
Department of Energy and Climate Change

¹⁴ Published reports are available at: <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

