

Director General for Regulation

John Pullinger
National Statistician
Office for National Statistics
(By email)

12 January 2017

Dear John

As part of the agenda to explore the greater use and linkage of administrative data as part of the Census Transformation Programme, I wanted to write to you to commend the Office for National Statistics' (ONS) publication on 16 December 2016 of *Research Outputs on income from combined PAYE and Benefits data*, as part of the Programme's Administrative Data Census Project. This represents an important milestone in the schedule of planned work for this project, and offers real potential in ensuring that statistics from future Censuses are trustworthy, of high quality, and are of greater public value.

I am very impressed at how ONS has worked collaboratively with other government departments, particularly the Department for Work and Pensions (DWP) and HMRC, to improve the potential public value of the Census through the sharing, linkage and analyses of administrative data sources already held by government and existing survey sources of income and earnings, with the end goal of producing small area multivariate statistics on income. In particular, the absence of an income variable in the Census has been recognised by users as a limitation, and I noted two years ago that the coherence and accessibility of income and earnings statistics more generally needed improvement, particularly in presenting an overall picture of income and earnings in the UK as well as improved statistics at lower geographies. Of particular note in the current publication, my team found Figures 1 and 2 very helpful and also liked the detailed exploration of coverage issues. It is not surprising to us, given concerns we have raised elsewhere, that income from self-employment is a notable gap in this work and we hope that the ongoing efforts will be able to address this. This, along with work to enable linkage of income data to other census variables at a household level, will be essential to meet user requirements. While recognising there is still more work to do in this space during 2017 and beyond, this recent research output and planned future work plays an important role in increasing the public value of statistics on income and earnings as well as the public value of statistics from the Census.

I would appreciate you passing on my thoughts to the relevant teams within ONS and relevant colleagues across government, particularly HMRC and DWP, as I think their work over the past year and the future plans for the project is very good and also serves as an exceptional example to others. I will be very interested to hear about your future outputs and users' feedback on this research, and how these further shape your future plans to improve the Census beyond the 2021 Census.

I have copied this letter to Sean Whellams at HMRC and Neil McIvor at DWP.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson'. The signature is fluid and cursive, with the first letter 'E' being particularly large and stylized.

Ed Humpherson