
Director General for Regulation

Iain Bell
Deputy National Statistician
Office for National Statistics
(By email)

29 October 2019

Dear Iain,

As you are aware, we recently brought forward our planned compliance check of Overseas Travel and Tourism statistics following [a letter](#) from Tourism Ministers for the UK, Welsh and Scottish Governments. The letter raised concerns about estimates of inbound visitors from the International Passenger Survey (IPS), most notably the reduced sample size which has resulted in widening confidence intervals and the fact that the Ministers did not feel ONS had given their concerns sufficient priority.

Overseas Travel and Tourism statistics play an important role in understanding the tourism industry in the UK. These statistics are highly valued by users, who often rely on them as a unique source of information. Our review focused on two issues relevant to the Quality and Value pillars of the [Code of Practice for Statistics](#): the IPS sample size and how the IPS team engages with users. Users expressed a keen interest in seeing improvements in the quality and communication of the statistics. We appreciate the helpful and open way that your team engaged with us during this process.

We have presented our detailed findings and requirements in the annex to this letter. In summary, they are as follows.

- ONS does not have a full understanding of who uses the statistics published in the Overseas Travel and Tourism release, or how they are used. This means the IPS team is unable to judge the quality required for a range of users and how information should be presented to meet their needs. Overseas Travel and Tourism statistics provide a valuable contribution to the UK National Accounts, which require data at a UK-level. The team have a good understanding of these needs and have prioritised them when making decisions about the survey. However, the prioritisation of UK-level estimates in terms of quality and presentation does not reflect the requirement of the majority of other users who need data for smaller geographic areas. ONS should develop a more complete understanding of how Overseas Travel and Tourism statistics are used and by whom, so that it is able to balance different user needs. Where not all user needs can be met ONS should be clear on the priorities and rationale for its decisions.
- ONS should take a more proactive approach to engagement and communication with users outside the IPS Steering Group. The IPS Steering Group functions as a forum for sharing updates from ONS but is not as effective as it should be in gaining input on proposals or eliciting feedback from users. Furthermore, in line with [Finding 2 from our compliance check on the IPS in 2018](#), we found that users outside the Steering Group are still not informed

about planned developments and changes to methods and outputs. We are pleased that your team is now considering how it can engage with users in a more active way. We encourage ONS to engage with a broad range of users in order to maximise the public value of these statistics. We suggest that the IPS team continue to work with the GSS Good Practice Team to develop their understanding of effective user engagement and to implement these approaches.

- Users are concerned about the uncertainty of estimates. For example, in the most recent quarterly data, the confidence intervals for numbers of overseas visitors to Scotland and Wales are +/- 24.2% and 29.6% respectively. Similarly, the confidence intervals for expenditure by overseas visitors to Scotland and Wales are +/- 26.7% and 43.8% respectively. While annual data have narrower confidence intervals, in general, these confidence intervals have increased from previous years due to the decline in sample size and have impacted the ability of users to draw reliable conclusions. We recognise that there may be limits on the potential to improve the IPS to the extent many users want and that substantial changes may depend on additional investment. We encourage ONS to be clear about any limitations with their users. We note that response rates, but not sample sizes, are published by ONS.
- We welcome the recent implementation of a Project Board and formal workstreams to investigate issues relating to sample size which have impacted uncertainty. We acknowledge that there are several complex factors which have contributed to the reduction in sample size and which require substantial investigation alongside other competing priorities. We understand that a key priority for the team is the completion of the critical work to correct the imbalance within the IPS which directly impacts the quality of Travel and Tourism Statistics. However, ONS has still been slow to respond to emerging issues and has not explained to users what has happened to sample sizes in a clear and timely way. ONS should complete investigations into the sample decline and publish the results of this within the next nine months.
- We welcome the recent work by the IPS team to improve the provision of management information and encourage ONS to ensure that adequate and appropriate resources are available for monitoring sample sizes and responding to emerging issues. We consider that better ongoing monitoring of management information in the past would have enabled issues, such as those regarding sample size, to have been identified and managed sooner.

We consider that Overseas Travel and Tourism statistics should retain National Statistics designation, provided the following improvements are made to ensure compliance with the Code of Practice.

By January 2020

- ONS should report back to us on its plans to improve user engagement and provide an update on its investigations into the sample size drop.

By April 2020

- ONS should have implemented improvements in user engagement.

By July 2020

- ONS should publish better information regarding quality and methods.
- ONS should report back to us on how it is ensuring that adequate resources are available for monitoring sample sizes and responding to emerging issues.

We will continue to work with your team to provide detailed feedback and suggestions from our investigation as they work to implement these improvements. On the basis of progress made by July 2020 we will decide whether a full assessment of these statistics is necessary.

Whether or not statistics are fit for purpose depends on how they are used. Therefore, the National Statistics designation is awarded to the Overseas Travel and Tourism output rather than the underlying data source, the IPS itself. We will continue to assess and communicate with you about tourism and migration statistics derived from the IPS separately. However, we note ongoing quality issues which affect both and encourage you to continue to build greater collaboration between your teams to ensure the data are well understood for the range of purposes they are used for.

We are mindful of the challenges around official statistics derived from survey data more generally and therefore are considering a systemic review on the value of surveys as part of our future work programme. In the meantime, I encourage you to review the resources allocated to the IPS as you address the findings from this review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson
Director General for Regulation

Annex: Detailed findings and requirements

National Statistics status brings with it a commitment to the [Code of Practice for Statistics](#). Complying with this framework ensures statistics are of public value, are high quality and are produced in a way worthy of trust. The Overseas Travel and Tourism statistics are relied on by users to carry out their work. They are a unique source of information and provide a long-running time series regarding tourism in the UK. However, we have identified areas that ONS must strengthen in line with the Code, in order to continue to be designated as National Statistics. We have set out our findings and requirements around increasing the value, methods and quality of the statistics.

1. Increasing the Value of the statistics

a. Understanding users of Overseas Travel and Tourism statistics

- Users of Overseas Travel and Tourism statistics rely on these figures as either their main or only source of information on inbound visitors to the UK and related expenditure. The statistics are vital for users to carry out their work and are used in a variety of ways, for example for strategic planning, to support policy development and investment decisions, to advise ministers and businesses, and for producing other official statistics or performance indicators.
- To be useful, all users we spoke to need data for the regions of England, Wales and Scotland, and smaller areas, as well as other granular breakdowns of the data, such as inbound visitors by country of origin. The statistics are also used for the UK National Accounts which require data at the UK-level.
- We found that the ONS does not have a full understanding of who its users are and how they use these statistics.

ONS should develop its understanding of how Overseas Travel and Tourism statistics are used and by whom, in order to be able to make improvements that best meet user needs. (Requirement I)

We understand that providing more granular data robustly by country of origin cannot be achieved with the current IPS design and acknowledge that addressing this issue would require additional resource.

b. Communicating with users

- ONS runs the IPS Steering Group, which allows ONS to inform key users of changes and updates, and has built a close, positive relationship with VisitBritain. However, we found that ONS do not take a proactive approach to engagement with broader users. The Steering Group is not as effective as it could be in gaining input on proposals or eliciting feedback from users.
- Furthermore, in line with [Finding 2 from our compliance check on the IPS in 2018](#), we found that users outside the Steering Group are still not informed about planned developments and changes to methods and outputs. We were pleased to see that information regarding the planned implementation of an adjustment for the long-standing imbalance issue was published following our report and commend the hard work that your team have put into developing this new methodology in collaboration with Southampton University and ONS Methodology. However, we are disappointed that the delay of this adjustment from October 2019 to Spring 2020 has as yet only been communicated to members of the Steering Group.
- We are pleased that your team is considering how it can engage with users in a more active way and encourage it to consider engagement with as broad a range of users as possible.

ONS should report back to us on its user engagement plans in January 2020 and give an update on what actions have been taken to implement these plans in April 2020. (Requirements II and III)

We recommend that your team develops user engagement plans which cover core and wider users. We also recommend that ONS opens up communication to all users of these statistics, for example publishing development plans for the statistics, or the membership list and minutes of the Steering Group meetings. We suggest that the IPS team continue to work with the GSS Good Practice Team to improve user engagement.

c. Presentation and accessibility of statistics

- Many users we spoke to were critical of the lack of interpretation of the statistics at regional levels and had difficulty finding the information they required on the ONS website. Many users we spoke to access the figures via the VisitBritain website as they find it more user friendly.
- Some users we spoke to also raised issues regarding timeliness of the statistics. They felt that improving the timeliness of the statistics would make them more relevant to their work. Furthermore, they noted that unplanned delays to statistics are not always adequately explained.

ONS should improve the presentation of Overseas Travel and Tourism statistics and consider user views on timeliness as part of future user engagement plans. (Requirements IV)

2. Methods and Quality of the statistics

a. Decline in sample size and uncertainty of estimates

- In 2016, ONS carried out a sample optimisation exercise for the IPS. As a result of this, it was expected that sample sizes would decline, having a particular impact on regional estimates. In order to retain an adequate level of quality for users, a group of stakeholders from the UK, Welsh and Scottish Governments funded a boost which aimed to keep sample sizes at pre-2016 levels. Although the actions agreed in the funding boost were successfully carried out, other factors such as dropped shifts have resulted in a continued decline of sample sizes.
- All users we spoke to raised concerns regarding the validity of estimates, at both UK and regional levels. These concerns have resulted from declining sample sizes and some observed trends that do not match the experience of those in the tourism industry. Due to the declining sample size, many users are also concerned that outliers now have a disproportionate impact on the figures.

Uncertainty around figures needs to be explained more clearly in the publication, for example by presenting confidence intervals in the main results rather than a separate table. (Requirement IV)

We suggest that the IPS team engage with the Quality Centre for advice and guidance on how best to communicate uncertainty. We also suggest that the IPS team make use of good practice and knowledge in other teams across ONS.

b. Monitoring and responding to sample size issues

- We found that ONS could have engaged users more proactively and in a timelier way in response to sample size issues. In particular, we encourage the IPS team to actively engage with the funders of the sample boost in the coming months as we are aware that the current agreement ends in December 2019.

- Following recent work, the IPS team has improved management information on sample composition at various steps of the sampling/interviewing process. However, it does not appear that it has a readily available full accounting database that would allow it to attribute drops in sample sizes to particular factors. As a result of this, as well as the slow approach to the issue and the lack of understanding of user needs, the IPS team has been unable to explain what has happened to sample sizes in a clear and timely way to stakeholders.
- The IPS team has insufficient resources to support required investigation of emerging issues at the same time as developments, as is evident in it having to postpone the optimisation exercise planned for next year in order to devote time to exploring the reasons for the sample drop.

ONS should provide OSR with an update on its investigations into the sample size drop by January 2020. (Requirement II)

We welcome the recent implementation of a Project Board and formal workstreams to investigate these issues and are pleased that the IPS team has been collaborating with colleagues in ONS's methodology team. However, we would have expected a proactive, structured approach to the problem to have been taken much earlier. The scopes of the workstreams have also not yet been clearly defined.

We expect quality and methods information, including an update on sample sizes and the impact of changes to data collection methods, to be communicated to users of these statistics by July 2020. In addition to response rates, we would like to see information about sample sizes published. We suggest that ONS considers user needs during their investigations, in particular the clear need for accurate regional estimates of inbound tourists and related expenditure. ONS should clearly communicate any limitations of the survey to meet user needs. (Requirement V)

ONS should ensure that adequate resources are available for monitoring sample sizes and responding to emerging issues in a timely and proactive manner. (Requirement VI)

3. OSR requirements

In summary, we require the following actions to be taken over the next 6 months.

By January 2020

- I. **ONS should develop its understanding of Overseas Travel and Tourism statistics users, including how they use the statistics and the quality required of them.**
- II. **ONS should report back to us on its plans to improve user engagement and provide an update on its investigations into the sample size drop.**

By April 2020

- III. **ONS should provide an update to us on the actions taken to improve user engagement.**

By July 2020

- IV. **ONS should provide an update to us on the actions taken to improve the presentation and timeliness of these statistics, including the communication of uncertainty in estimates.**
- V. **ONS should publish quality and methods information on these statistics, including an update on sample sizes and the impact of changes to data collection methods from paper to tablet questionnaires.**
- VI. **ONS should report back to us on its plans to ensure that adequate resources are available for monitoring sample sizes and responding to emerging issues.**