Mark Pont, Assessment Programme Lead

Steve Ellerd-Elliott
Chief Statistician and Head of Profession for Statistics
Department for Work and Pensions
(by email)

22 September 2022

Dear Steve,

Pensioners' Income Series

We recently completed our compliance check of your Pensioners' Income (PI) Series statistics against the Code of Practice for Statistics. These are a uniquely valuable resource for government policy making and those who have research interests in the levels, sources and distribution of pensioners' incomes in the UK for financial planning and improving welfare. With the recent increases in price inflation and continuing concerns regarding the cost of living, the economic wellbeing of pensioners is in greater focus.

Overall, our review found that the statistics comply with the Code of Practice and should continue to be designated as National Statistics. We found a range of positive features that demonstrate the trustworthiness, quality and value of the statistics, as highlighted below:

- The PI Series provides granular UK-level data on pensioners' incomes since 1995 to support differing user needs, for example, to analyse trends over a long period of time and across different variables, such as by region or sex. This is well facilitated via the online Stat-Xplore tool to empower users to undertake their own analysis beyond the HTML bulletin and published data tables.
- The 'what you need to know' section in the latest release, provides helpful commentary to support appropriate use of the data by explaining external factors which may affect interpretation of time series data or quality of the PI estimates. For example, the changes in collection of survey data during the COVID-19 pandemic and the impact this had on the quality of the estimates.
- The PI Series is based on the Household Below Average Income (HBAI) dataset and derived from the Family Resources Survey (FRS). As such, the dataset is subject to an extensive quality assurance process to ensure that the statistics are of sufficient quality for publication. This includes external data validation of the HBAI under contract by the Institute for Fiscal Studies (IFS).
- We are encouraged to hear about DWP's plans to significantly boost the FRS sample size from April 2022, as highlighted in its published Statistical Work Programme. This will enable greater precision of PI estimates and will be particularly useful for the robustness of estimates at lower breakdowns, for example to assess regional differences.

We identified some areas for improvement that we consider would enhance the quality and value of the statistics:

- The PI statistics team shared with us planned future developments for the PI Series demonstrating its ongoing ambition to improve the statistics according to changing user needs. DWP should consider ways of communicating these plans publicly to allow a range of users the opportunity to feed into this process in a more transparent and open way, for example via the DWP Statistical Work Programme.
- The PI dataset is subject to extensive quality assurance, however the 'Quality Statement' in the PI [background information and methodology notes](#) is very limited. DWP should seek ways to improve this explanation, including in related publications such as the HBAI. A flowchart representing the start to end quality assurance process may also help to improve this understanding in a visual way.

I would like to thank your team for their positive engagement on this review. Our Labour Market and Welfare domain lead will continue to engage with you and your team on progress in the coming months. Please do not hesitate to get in touch if you would like to discuss any aspects of this letter further.

Yours sincerely,

Mark Pont
Assessment Programme Lead