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Treasury Committee

Counting the population

Eleventh Report of Session 2007–08

Volume I

Report, together with formal minutes, oral and written evidence

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The Treasury Committee

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Contacts

All correspondence should be addressed to the Clerks of the Treasury Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5769; the Committee’s email address is treascom@parliament.uk.
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Summary

**Counting a highly mobile population**
We consider the problems faced by some Local Authorities in estimating their highly mobile populations. We note that there were substantial problems in generating accurate population estimates in some areas during the 2001 Census. We also consider the methods used to estimate local populations between each census and conclude that such estimates (mid-year population estimates) are not fit for purpose as they fail to properly account for internal migration. We raise concerns that the allocation of funding to Local Authorities could be based on inadequate information. We recommend that the new Statistics Authority establish as an immediate priority the provision of local population statistics that more accurately reflect the full range of information available about local populations and the effects of internal migration.

**Short-term migration and the International Passenger Survey**
We discuss the usefulness of the mid-year population estimates, based on the ‘usually resident’ population. We highlight that such estimates do not include short-term migrants and do not fully meet the needs of Local Authorities and commercial users. We call on the Statistics Authority to investigate the feasibility of producing population estimates based on different measures of population, such as estimates which include short-term migrants and estimates which include the day-time population of Local Authorities. We raise concern about use of the International Passenger Survey in estimating international migration. We conclude that the Survey is not fit for this new purpose and recommend that the Statistics Authority replace the International Passenger Survey with a new Survey that is more comprehensive and more suited to the accurate measurement of international movements affecting the size of the resident population of the United Kingdom.

**Administrative data**
We note that the development of computerised administrative records in the UK has moved on rapidly in recent years and the Statistics and Registration Service Act 2007 has established conditions under which such information could be used for statistical purposes. We recommend that the Government work with the Statistics Authority to ensure that strong ethical safeguards are put in place to protect the personal information held by Government departments. We also call on the Statistics Authority to set out the action that the Authority will take to develop the Government’s administrative databases to provide a more accurate and cost effective method of monitoring the population.

**National address register**
We note that the accuracy of the 2011 Census is dependent on the production of a national address register. We raise concern that no progress has been made to develop such a register. We recommend that the Government consult the Statistics Authority and others to remove any outstanding obstacles to the production of a national address register.
The future of the Census
We assess the current challenges facing the Statistics Authority in conducting the 2011 Census and conclude that the traditional census has almost had its day. We recommend that the Statistics Authority set strategic objectives to ensure that the data currently gathered throughout the UK can be used to produce annual population statistics that are of a quality that will enable the 2011 Census to be the last census in the UK where the population is counted through the collection of census forms.
1 Introduction

The purpose of our inquiry

1. The Treasury Sub-Committee’s inquiry into Counting the Population followed the work undertaken earlier in this Parliament by the Sub-Committee on Independence for Statistics and on Preparations for the 2011 Census and the work of the Treasury Sub-Committee in the last Parliament on The 2001 Census. The inquiry was undertaken in response to concerns expressed in the House of Commons, by Local Authorities and by others about the adequacy of current population statistics. Population estimates are the core component in statistical formulae that allocate very large sums of public money to the devolved administrations, local government, the health service and public services. The Sub-Committee therefore wished to examine the current methods used to count the population and the impact of any inaccuracies or inadequacies within population estimates.

Conduct of the inquiry

2. The Treasury Sub-Committee announced its inquiry into Counting the Population in September 2007. It called for evidence on the collection of statistics by the Office for National Statistics (ONS) relating to the number, age, sex and distribution of people, the accuracy of such statistics and their role and value to the wider community. The Sub-Committee heard oral evidence in January and February 2008 from Demographic Decisions, the Statistics Commission, the Royal Statistical Society, the Bank of England, Local Government Association, Slough Borough Council, Islington Council, Manchester City Council, NHS Newham PCT, HM Treasury, Ms Karen Dunnell, the National Statistician, Sir Michael Scholar, Chairman of the Statistics Authority and Angela Eagle MP, the Exchequer Secretary to the Treasury. The Sub-Committee received a considerable number of written submissions, most of which were published on 15 January 2008. We are grateful for all the evidence received, both written and oral.

The Statistics Authority, the Treasury and the Cabinet Office

3. In July 2006, we reported on the Government’s consultation paper, Independence for statistics, which set out proposals to replace the current ONS with an independent statistics office, to be established as a non-ministerial department and governed by an independent board.1 Following the Government’s consultation and our Report, Independence for statistics, Parliament passed the Statistics and Registration Services Act 2007. Prior to the commencement of the Statistics and Registration Services Act, the ONS was the central producer of statistics in the United Kingdom. The ONS was an Executive Agency accountable to the Chancellor of the Exchequer.2 It was headed by the National Statistician

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1 Treasury Committee, Tenth Report of Session 2005-06, Independence for statistics, HC 1111
who was concurrently the Registrar General for England and Wales. Therefore, the General Register Office (GRO), which administers the system for the registration of births, deaths, marriages and civil partnerships in England and Wales, was also part of the ONS. The ONS was also responsible for the creation and maintenance of the National Health Service Central Register (NHSCR).

4. The Statistics and Registration Services Act provided for the creation of a new body, the UK Statistics Authority. The Act established the Statistics Authority as a Non-Ministerial Department, composed of a majority of non-executive members. As recommended in our Report, Independence for statistics, the Authority’s responsibilities cover the whole UK statistical system, including England, Scotland, Wales and Northern Ireland. However, the Authority is not responsible for the development of future censuses in Scotland or Northern Ireland.

5. The Statistics Authority is the legal successor body to the ONS. Therefore the ONS's responsibilities other than those relating to civil registration have transferred to the new Statistics Authority. The Statistics Authority also has powers to produce statistics, provide statistical services and promote statistical research. It will undertake the statistical functions of the Registrar General, including the preparation and publication of the census. The Statistics Commission closed on 31 March 2008 as the Statistics Authority became responsible to Parliament for building trust in UK statistics. The Statistics Authority Board has a statutory role replacing Ministers as the top governance layer for the ONS, as the body to whom the National Statistician will report directly. The Statistics Authority has three main functions:

- oversight of the ONS, its executive office,

- monitoring and reporting on all official statistics, wherever produced, and

- independent assessment of official statistics.

6. Statistics ceased to be a Treasury responsibility on 1 April 2008, when the new Statistics Authority assumed its functions and residual Ministerial responsibility passed from HM Treasury to the Cabinet Office. The new Statistics Authority was established with a “statutory objective to promote and safeguard the production and publication of official statistics that serve the public good; and the quality and comprehensiveness of, and good practice in relation to, official statistics across the UK”.

7. Following the transfer of residual Ministerial responsibility to the Cabinet Office, the Treasury Select Committee’s role in the scrutiny of statistics has passed to the Public Administration Select Committee. In our Report, Independence for statistics, we rehearsed

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3 HC (2005–06) 1111, para 169
4 The General Register Office for Scotland (GROS) and the Northern Ireland Statistics and Research Agency (NISRA) conduct censuses in Scotland and Northern Ireland respectively.
5 About the Authority, Statistics Authority website, http://www.statisticsauthority.gov.uk/about-the-authority/index.html
6 Statistics and Registration Services Act 2007, section 7
the arguments for the transfer to the Cabinet Office. Therefore this Report presents our final consideration of the work of the Office for National Statistics and its effectiveness in counting the population, except insofar as they relate to our scrutiny of economic indicators.
2 How the population is counted

What is being counted and how it is counted

8. The Statistics Authority (and previously the ONS) produces population estimates at national and local level. The most authoritative population estimates for the United Kingdom are derived from the Census of Population, which takes place every 10 years; the most recent one was held in April 2001. Population estimates from the Census are updated each year by the ONS to produce mid-year population estimates for the years between each Census.8

9. Current population statistics relate to the usually resident population; those statistics record people where they usually live.9 The usually resident population does not always coincide with the number of persons to be found in an area at a particular time of the day or year. For example the day-time populations of city centres, such as London or Manchester, and the summertime populations of holiday resorts would normally be larger than their usually resident populations. The definition of the usually resident given in the 2001 Census was as follows:

The 2001 Census has been conducted on a resident basis. This means the statistics relate to where people usually live, as opposed to where they are on Census night. Students and schoolchildren studying away from home are counted as resident at their term-time address. As in 1981 and 1991, residents absent from home on Census night were required to be included on the Census form at their usual/resident address. Wholly absent households were legally required to complete a Census form on their return. No information is provided on people present but not usually resident.10

10. The ONS noted that “for most people, defining where they ‘usually’ live for the purposes of the Census is quite straightforward. However for a minority of people the concept of usual residence is more difficult and it may be difficult to apply a general rule as to where they should be assigned as ‘usually’ living”.11

The role of the Census

Overview

11. The Census is a complete count of the population of the United Kingdom. It has been conducted every ten years12 since 1801, with the exception of 1941 during the Second

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9 Ev 201
11 Ibid.
12 This is in line with guidance issued by the United Nations Statistics Division, Principles and Recommendations for Population and Housing Censuses, Rev.2 2008
World War. The 2001 Census cost approximately £255 million for the UK as a whole. The law requires every household to complete and return a Census form. Professor David Martin, Chair of the Royal Statistical Society’s Census Study Group, noted that:

The census continues to be essential to the creation of baseline population statistics and forms a foundation and reference point for alternative sources of population estimates. Due to its high population coverage, it is however unrivalled as a source of socio-economic population detail at small area level. While some of these topics are covered in greater detail by survey datasets, none offers any small area geography.

**History of censuses**

12. The first known census was taken by the Babylonians, over 5000 years ago, in 3800 BC. Records suggest that it was taken every six or seven years and counted the number of people and livestock, as well as quantities of butter, honey, milk, wool and vegetables. Censuses in Egypt are said to have been taken already during the early Pharaonic period, in 3340 BC and in 3050 BC. One of the earliest documented censuses was taken in 500-499 BC by the Persian Empire’s army for issuing land grants, and for taxation purposes. The Bible also relates accounts of several censuses. The Book of Numbers describes a divinely-mandated census that occurred when Moses led the Israelites from Egypt. A later census called by King David of Israel is referred to as the “numbering of the people”. A Roman census is also mentioned in one of the best-known passages of the Bible in the Gospel of Luke.

13. The best-known historical estimate of the British population was made in 1695 by Gregory King. It concluded that the population of England and Wales was 5.5 million. In the 18th century there were widespread fears that a census could be used for taxation purposes. A Bill proposing “taking and registering an annual Account of the total Number of People, and of the total Number of Marriages, Births and Deaths; and also of the total Number of Poor receiving Alms from every Parish and extra-parochial Place in Great Britain” was passed by the House of Commons on the 8th May 1753. However, Mr Thornton, MP for York, did not accept that

that there was any set of men, or indeed, any individual of the human species so presumptuous and so abandoned as to make the proposal we have just heard ... I hold this project to be totally subversive of the last remains of English liberty.

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14 Why do we have a Census, National Statistics, www.statistics.gov.uk
15 Ev 25
19 Why take a census, National Archives, www.nationalarchives.gov.uk
20 Ibid.
14. After the second reading in the Lords the Bill was referred to a committee, but the session ended before it was considered and so the Bill lapsed. The first census was held 48 years later, on 10 March 1801 by a house-to-house enquiry together with returns of baptisms and burials between 1700 and 1800, and marriages between 1754 and 1800 as supplied by the clergy.  

Census data

15. The Census gathers information on a wide range of subjects relating to the population such as age, sex, ethnic composition, education, socio-economic class, religion, housing, families, transport and work. It is designed to provide a complete picture of the nation, counting the numbers of people living in each city, town and country area. It provides data about each area and its population, including the proportion of young and old people, what jobs people do, and the type of housing they live in.  

16. Population estimates are available to the public and provide various estimates of the resident population for:

- The UK as a whole and England, Wales, Scotland and Northern Ireland separately by sex and single year of age.
- Government Office regions, counties, unitary authorities and local government districts in England and unitary authorities in Wales by sex and five-year age group or broad age group (children, working age and older people).
- Health areas in England and Wales (strategic health authorities in England and local health boards in Wales) by sex and five-year age group or broad age group.
- Legal marital status for England and Wales as a whole.
- Experimental population estimates for the very elderly, ethnic groups, parliamentary constituencies and Super Output Areas.

Methods used

17. The United Nations Statistics Division issues standards and methods approved by the Statistical Commission to assist national statistical authorities and other producers of official statistics in planning and carrying out successful population and housing censuses. The Census in the UK is a national count of the population through the completion of Census forms delivered door to door.
18. In 2001, the ONS employed enumerators (a person used to perform door-to-door delivery and collection of Census papers during the Census period). The enumeration of the 2001 Census was organised largely in the traditional way, with the delivery of the self-completion forms by enumerators to households and communal establishments prior to Census Day (29 April 2001). However, for the first time in a census in the UK, provision was made for these forms to be mailed back to local census management teams as the prime means of collection; only those households who had failed to return a form in this way were followed up by field staff.26

19. The Census in the United Kingdom consists of a complete enumeration of the population. Enumeration is not the only method used to take a national census. The Treasury Committee visited Sweden in November 2007 to discuss their method of calculating national statistics. Sweden uses a population register, which replaces a census and provides a snapshot of the population at any point in time and at any level of geographic detail.

20. Statistics Sweden has full access to administrative records maintained in government. Legislation allows these administrative records to be linked together for statistical purposes. Four linked registers have been developed from the sources available, namely registers of population, jobs, real estate and businesses. The population register holds only core details (name, address, sex, date and place of birth and a personal reference number) of every resident and provides the base for all public agencies’ personal records. Its key feature is that a person’s data held in separate administrative registers are assembled using the personal reference number in the population register for linking.

21. The statistical offices in Finland, Norway and Denmark also have the authority to link administrative records together for statistical purposes and the UK Statistics Commission noted that “it seems to be regarded as self evidently the most efficient way of putting together information that both government and public need.”27

The frequency and importance of Censuses

22. The Treasury Committee visited Dublin in 2007. During the visit the Committee met representatives from the Irish Central Statistics Office and discussed what lessons the UK could learn from the Irish Census. There had been a census in Ireland every five years from 1951 to 2006, with two exceptions: the 1976 census was cancelled, and the 2001 census, which was postponed until 2002 because of foot and mouth disease. There was strong support in Ireland for a five-yearly census, partly because Ireland had no population register.28

23. Professor David Martin thought that “an increased frequency of census would be useful to researchers and planners, especially with regard to population characteristics which are

27 The Nordic Contrast: a paper by the Statistics Commission, September 2007
28 History of Irish census records, National Archives of Ireland, http://www.census.nationalarchives.ie
known to change quite rapidly, such as the ethnic composition of the population”. He commented that researchers would prefer population data more frequently but would accept the continuation of a decennial census “providing it is sufficiently resourced to produce outputs of the absolutely highest quality, allowing it to continue to be used as the key reference dataset”.

**The 2001 Census and the 2011 Census**

24. The 2001 Census was completed on Sunday 29 April 2001. It covered an estimated fifty nine million people in thirty three million households, asking 41 questions. The Census form was also produced in Welsh and there was one extra question in Wales about the use of the Welsh language. By comparison the first Census held in 1801 asked only five questions of ten million people in two million households.

25. The next full census of England and Wales will take place in 2011. Before the Census is held, a detailed planning programme is being undertaken, the 2011 Census Project. The Project is designed to determine what information will be gathered, how it will be captured, how it will be processed and how the results will be produced and delivered. It is proposed that pre-addressed questionnaires will be posted out to most households using national address lists.

26. A test of current proposals for the 2011 Census was held in England and Wales on 13 May 2007. The 2007 Census Test aimed to assess new questions that could be incorporated into the Census as well as innovations in the design of the Census form, the effectiveness of different enumeration approaches (for example postal returns and face-to-face interviews), and methods of working with Local Authorities to improve the enumeration process (particularly in 'hard-to-count' areas). The Test was conducted on a voluntary basis in five Local Authority areas, namely Liverpool, Camden, Bath and North East Somerset, Carmarthenshire and Stoke-on-Trent.

27. A full rehearsal of the systems designed for the 2011 Census will be take place in 2009. A variety of enumeration strategies will be tested to address coverage in hard-to-count groups. These will include hand-delivery of forms and increased enumeration resources in the most difficult areas.

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29  Ev 25  
30  Nine more questions than the 1991 Census.  
31  200 years of the Census, Office for National Statistics, March 2001  
32  Ev 216–217  
Mid-year population estimates

Overview

28. The ONS publishes mid-year population estimates annually for England and Wales.\(^{34}\) Mid-year population estimates establish the population *usually resident* on 30 June of each year. The national population projections are based on the estimated mid-year population and assumptions on future levels in fertility, mortality and migration.

Generating the mid-year population estimates

29. Estimates are calculated from the population data in the previous year using the cohort-component methodology. This population is “aged on” by one year (for example all eight-year-olds become nine-year-olds one year later). Those who were born during the 12 month period are then added on to the population and all those who have died during the 12 month period are removed. Births and deaths data used in the compilation of mid-year population estimates are obtained from General Register Offices through the compulsory registrations of all births and deaths occurring in England and Wales, Scotland and Northern Ireland.\(^{35}\)

30. The other factor to be taken into account in estimating the national population is the movement of people in and out of the UK (international migration). An international migrant is defined as a person who changes his or her country of residence for a period of at least a year. When estimating the population of different areas of the UK, movements within the UK (internal migration) also need to be taken into consideration. Internal migration includes both cross-border moves between the four constituent countries of the UK and moves between local areas within each part of the UK.

31. ONS reported that it is continually researching ways of ensuring and improving the quality of the population estimates.\(^{36}\) Mid-2006 population estimates for the UK were published by ONS on 22 August 2007. The 2006 estimates incorporate improvements in the estimation of international migration and, as a result, population estimates for 2002 to 2005 have also been revised.\(^{37}\)


\(^{36}\) *Making a population estimate in England and Wales*, ONS, August 2007

\(^{37}\) Ev 205
**Mid-year population estimates methodology**

Estimated resident population at time T

- Natural Change – add births, subtract deaths
- International Migration – add inflows, subtract outflows
- Internal migration – add inflows, subtract outflows
- Special Populations – UK armed forces, foreign armed forces and dependants, prisoners and school boarders

Estimated resident population at time T + 1

*Source: Office for National Statistics memorandum*

**Data used in the mid-year estimates**

**Births and deaths**

32. It is compulsory to register all births and deaths within the United Kingdom. The General Register Office collects this data. The ONS noted that this information provided a reliable indication of these events.³⁸
Measuring migration

33. Mid-year estimates are calculated using estimates of both international and internal migration. Within this Report, we discuss international migration as the flows of international migrants to and from the United Kingdom, and internal migration as the movement of people within the United Kingdom from one area of the country to another. Migration is the most difficult part of the population estimate process, as migratory moves are not registered in the UK, either at the national or local level. The best proxy data available on a nationally consistent basis are used to calculate estimates of migration. Mr Blake-Herbert, Director of Finance, Slough Borough Council told the Sub-Committee that it did not matter to Local Authorities “whether someone has come from Poland or [moved] from Putney to Slough” if the statistics were not able to track them. 40

34. International migration describes both emigration (the act of leaving one’s country to settle in another) and immigration (the act of arriving settling in another country). The Statistics Commission reporting on the 2001 Census commented that:

methods currently used for measuring migration into and out of the UK, and between Local Authority areas, are unreliable. Particularly unreliable are the estimates of international emigration and immigration into and out of Central London. Without improved methods, up-dating population census figures is liable to error.41

Ms Karen Dunnell, the National Statistician, told the Sub-Committee that she “had a task force looking at migration data… particularly for reliable figures on emigration”.42

International migration data

35. The ONS annual publication, International Migration, presents a range of statistics on flows of international migrants to and from the United Kingdom since 1991.43 The publication uses three main sources of data: the International Passenger Survey; Home Office data on asylum seekers and persons entering the UK as short-term visitors but who were subsequently granted an extension of stay for a year or longer for other reasons (e.g. as asylum seekers, students, or on the basis of marriage); and estimates of migration between the UK and the Irish Republic (using information from the Irish Quarterly National Household Survey and the National Health Service Central Register).

36. The Sub-Committee was told that international migration was one of the most difficult components of population change to measure accurately. Considerable numbers of people travel into and out of the United Kingdom each year. There is no single, comprehensive

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39 Information of this kind is called “proxy data” because it is used in the place of actual data recording internal migration.

40 Q 147


42 Q 193

43 Ev 206
data source that is able to provide the information, at national and local levels, required for statistical purposes.\textsuperscript{44}

\textit{International Passenger Survey}

37. The International Passenger Survey (IPS) is a survey of a random sample of passengers entering and leaving the UK. The ONS estimates that over a quarter of a million face-to-face interviews are carried out each year with passengers entering and leaving the UK through the main airports, seaports and the Channel Tunnel.\textsuperscript{45} The survey was originally designed to provide data primarily for tourism and business travel purposes, to inform the travel account of the balance of payments, but is now also used by the ONS to estimate international migration.\textsuperscript{46}

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Methodology of the International Passenger Survey
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Interview teams are required to identify every ‘nth’ person (‘n’ varies by port and route, taking account of traffic flows) in the flow of passengers past a specified point. Information is collected from any migrants identified through these routine samples. However, for selected ports and routes, additional passengers are selected for a short interview.

The questions asked are designed to establish whether the people selected are migrants. If this is the case, more detailed questions are then asked. Prior to 2007, these additional interviews were carried out only for arrivals (to identify immigrants only). The ONS has reported that since January, they have been extended to departures (to boost the number of emigrants interviewed). At present the only reliable source of information on emigration is the IPS.

Sampling for the International Passenger Survey is carried out at all airports with more than 1 million international passengers travelling through them. This currently includes 5 London airports, Manchester and 10 regional airports. The IPS uses data provided by the Civil Aviation Authority (CAA) to extrapolate the sample figures to total flows, to ensure that all people are accounted for. In addition the Channel Tunnel and 10 sea ports are covered and again the survey data are weighted to total flows supplied by Euro tunnel, Eurostar and Department for Transport.

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\textit{Internal migration data}

38. Internal migration data is based on patient register and patient re-registration recorded in the National Health Service Central Register (NHSCR) and shows moves between Local Authorities, Government Regions in England and Wales only. It does not include the rest of the UK (Scotland and Northern Ireland).\textsuperscript{47} From the mid-1999 population estimate onwards, data from General Practitioner (GP) patient records have been used to estimate

\begin{footnotesize}
\begin{enumerate}
\item \textit{IMPS Methodology}, National Statistics, www.statistics.gov.uk
\item Ev 207
\item Ev 181
\end{enumerate}
\end{footnotesize}
flows of internal migrants between areas within England and Wales. Every health authority in England and Wales holds a register of the patients registered with GPs within their area of responsibility. This contains each patient’s NHS number, date of birth, sex and postcode. The ONS downloads data from health authorities registers each year. The ONS combines the data to create a total patient register for the whole of England and Wales.\(^{46}\)

39. An internal migrant is defined as a person who, between one year and the next, changes their area of residence. Comparing records in one year with those of the previous year enables identification of people who change their postcode. This method of comparing registers at two snapshots in time can miss certain groups of people who do not appear on the patient registers in two consecutive years (births, deaths, those joining or leaving the armed forces or entering or leaving the UK). To overcome this the estimates of the number of migrants from the patient register are only captured on the National Health Service Central Register (NHSCR), which measures moves between such health authorities but has the benefit of being constantly updated. By combining the two data sources, ONS produces an estimate of internal migration.\(^{49}\)

**Current role of administrative data**

**National Insurance registers**

40. National Insurance Numbers are issued by the Department for Work and Pensions to individuals when they reach age 16 and are used to record a person’s National Insurance contributions and social security benefit claims. New numbers are issued to all non-UK born nationals aged 16 or over working, planning to work or claim benefits legally in the UK, regardless of how long individuals intend to stay.

41. The following are excluded:

- Dependants of National Insurance Numbers applicants, unless they work or claim benefits;
- Individuals from overseas not working, planning to work, or claim benefits - for example, this will include many students;
- Migrants who are not of working age if not claiming benefits; and
- Those with an existing National Insurance Number, for example returning UK nationals.\(^{50}\)

42. This register provides numbers registering for a National Insurance Number. There is no requirement to de-register on leaving the country. Therefore the figures do not show

\(^{48}\) Ev 208  
\(^{49}\) Ibid.  
\(^{50}\) Ev 209–212
the number of foreign nationals working or claiming benefit at any given point nor do they distinguish between long and short term migrants.  

**Pupil and student information**

43. The School Census provides, every term, a snapshot of all school pupils in state education in England. It is collected by the Department for Children, Families and Schools and is used for monitoring the effectiveness of policies and school/Local Authority funding. Similar systems are in place in the devolved administrations.  

44. Nationals of countries (other than Cyprus and Malta) that joined the EU in May 2004—the A8 countries—who wish to take up employment in the UK for a period of at least a month are generally required to register with the Worker Registration Scheme (WRS). Workers who are self-employed do not need to register. They must register more than once if they are employed by more than one employer and must re-register if they change employer. Each application represents one job, not one applicant.  

45. The population covered on the WRS includes:

- Long-term international migrants from A8 countries working as employees in the UK;

- Visitors and short term migrants from A8 countries, staying for over a month, and intending to work as employees in the UK; and

- Dependants of WRS applicants. It is likely that there is some double counting as dependants may also be registered in their own right on the WRS.  

46. The following are excluded:

- Migrants from A8 countries who are self employed;

- A8 migrants staying for less than a month;

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51 Ev 209–210  
52 Ev 209  
53 Ibid.  
54 On 1 May 2004 the following countries joined the EU: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.  
55 Ev 212  
56 Ev 210
• A8 migrants who migrate or visit the UK for reasons other than work, for example including potentially many students;

• Migrants from non-A8 countries. 57

47. Figures relate to the address of the applicant’s employer rather than their own usual residence and are produced by date of application rather than date of entry into the UK. The data only include those registering when they take up a job, when intended length of stay is recorded. However neither actual duration of employment or whether the applicant returns home are recorded. 58

**Meeting the needs of the user**

48. The ONS argued that population and migration statistics were produced by combining the “best possible information currently available”. They were produced to a “high quality standard, using internationally recognised and transparent methods that have been peer reviewed by external experts”. 59 We recognise that in a period of significant population change and individual mobility meeting the requirements of users has become more complex for the Statistics Authority. The amount of population turnover, both nationally and locally has made it increasingly difficult for the current methods of counting the population to estimate the numbers of people in an area and on what basis they are there.
3 Why accurate population statistics matter

Uses of population statistics

49. The Statistics Commission told the Sub-Committee that population estimates were the bedrock of every national system of official statistics. The estimates measured the fundamental characteristics of society and underpinned key statistics such as macro-economic indicators, unemployment rates or crime rates. They were used as the core component in statistical formulae that allocate very large sums of public money to the devolved administrations, to local government, the health service and public services. They were also used as the basis for projections such as forecasts of household numbers and life expectancy, which, in turn, influenced assumptions about housing demand, social care and pensions.60

50. Professor David Martin noted that population estimates had at least three critical uses: resource allocation and the determination of financial settlements, of particular concern to central and local government; as the basis for establishing rates of deaths, accidents, health, crime and conceptions; and the planning of local services, or in the commercial context, business decisions on the basis of estimated population need and demand.61

Implications for economic uses

51. Mr Charlie Bean, Chief Economist, Bank of England, told the Sub-Committee that the Bank’s primary need for the population data was essentially to “get a handle on the size of the available labour force, which is a key determinant of the supply potential of the economy”.62 In order to estimate the inflationary pressure within the economy one of the key determinants was the balance between demand and supply in the labour market. Mr Bean explained that population data helped to determine the sustainable rate of growth of the UK economy and “therefore how fast we can let demand in the economy expand”.63 Mr Christopher Kelly, Head of the Macroeconomic Prospects Team, HM Treasury, also told the Sub-Committee that accurate estimates of the population were “extremely important”.64 HM Treasury used population statistics to develop macroeconomic forecasting.65

60 Ev 33
61 Ev 24
62 Q 77
63 Ibid.
64 Q 78
65 Ibid.
**Local Authorities**

52. Good population statistics are fundamental for local policy development and for the planning and allocation of funds for public services. Local Authorities, such as Westminster, Slough and Manchester, have experienced difficulties where inaccurate statistical data resulted in reduced allocation of financial resources. The confusion between local and national migration estimates has made planning and service provision more difficult for some Local Authorities.\(^\text{66}\)

53. It is accepted that population estimates are central to every national system of official statistics. They are used in statistical formulae that allocate vast sums of public money to the devolved administrations, to local government, the health service and public services. It is therefore a matter of social responsibility to ensure that population statistics are calculated accurately.

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4 Difficulties in counting the population

Problems with the 2001 Census

54. David Coleman, Professor of Demography at Oxford University, argued that “the UK has not had a satisfactory census since 1981”. He noted that

Census totals are compared with the annual population estimates for the same year derived from the updating of the previous census by the intervening total of birth and deaths and net migration. In theory the two totals should agree when the census total (usually April) is adjusted to fit the population estimate (usually mid-year). It is, however, a moot point to decide which of the two should be regarded as the benchmark, and neither will be exactly accurate. Both the censuses of 1991 and 2001 deviated considerably from the corresponding population estimate and, despite every effort, each has turned out to be in error, or at least remain controversial. In 1991 the estimates rolled forward from 1981 were preferred (erroneously) over the census. In 2001, the census was preferred (only partly erroneously) over the estimates rolled forwards from 1991.67

55. He also pointed out that “the census of 1991 generated a population (49,890,000 in England and Wales) over one million fewer than that expected from the 1991 population estimates updated from the 1981 census (51,105,000); the so-called ‘missing million’. For various reasons, particularly its finding of an implausible low sex ratio of 94.1 males per 100 females, the census, not the estimates, was deemed to be in error, and various upward adjustments were made”.68

56. In order to avoid the repetition of these problems and the difficulties caused, notably to Local Authorities, of a number of differing estimates of population for the same year, efforts were made to ensure the 2001 Census was accurate and in-line with the expected population estimates for 2001. Census methodology included an exceptionally large post-census enumeration survey, the Census Coverage Survey, of 320,000 households, using a sampling methodology separate from that of the census. The 2001 Census methodology was intended to avoid the defects of its predecessor, the smaller Census Validation Survey from 1991 (6,000 households), whose methodology followed that of the census and therefore tended to duplicate its errors, those missing in the census also being missed by the survey.69 Professor Coleman pointed out that “the kinds of households that are likely to escape or evade the census are also likely to escape or evade any surveys for the same reasons”.70
Accuracy of the mid-year population estimates

57. The accuracy of the mid-year population estimates is dependent on the quality of data available to measure components of population change (births, deaths and migration). Migration, both internal and external, is the hardest component to measure. Of the data sources currently used to calculate population estimates:

- The Census arguably provides the most reliable base and set of distributions;
- Birth and Death registrations are considered to reflect accurately numbers of events occurring in the United Kingdom;
- Internal migration data are reliant on people registering change of address with their doctors promptly after a move; and
- International migration is difficult to estimate, but use is made of available sources.

There are some additional data sources which are used to estimate the population in some local areas:

- Counts of ‘long term’ prisoners;
- Counts of boarding school pupils;
- Estimates of the number of UK armed forces; and
- Estimates of foreign (American) armed forces.

58. Mr Blake-Herbert, Director of Finance, Slough Borough Council told the Subcommittee that “at the last census Slough had the ninth fastest growing population in the country, despite having the fourteenth worst returning rate for census forms. Since then the mid-year estimates initially showed us having the second fastest declining population in the country.” He was concerned that the mid-year estimates had inaccurately estimated the population in Slough. He explained that “the ONS will not use the child benefit data for the number of children in an area because they acknowledge [child benefit data] is a huge under count. Actually, there are more children receiving child benefits in Slough than the Office for National Statistics currently say live in Slough”. He stressed that “this is not just about international migration; it is about migration within the country. ...the statistics are not keeping pace, and because of that we are not able to provide the right services”.

59. The Bank of England noted that there was a great deal of uncertainty surrounding the current mid-year population estimates which related to the measurement of net migration. Official estimates of international net migration are primarily based on the International Passenger Survey (IPS), a survey of individuals passing through the main UK air and sea ports and the Channel Tunnel. The ONS supplement the IPS with administrative data on

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**Footnotes:**

71 Ev 209–212  
72 Ibid.  
73 Q 147
asylum seekers and their dependents, and estimates of the migrant flow between the United Kingdom and the Irish Republic; and the ONS make adjustments to account for those whose intended length of stay changes.\footnote{74}

**Counting a migrating population**

60. The National Statistician told the Sub-Committee that within the UK migration was estimated based on samples of the population and therefore she was “less confident in statistical terms about that”.\footnote{75} Several of those who submitted evidence to the Sub-Committee argued that during the last ten years, migration (both international and internal) had been the dominant influence on population change. \footnote{76} The Statistics Commission noted that “for those areas which present the greatest challenge statistically, much of the challenge relates to migration (international and internal)”.\footnote{77}

61. The Statistics Commission told the Sub-Committee that it had pressed for improvements to migration estimates since 2003, arguing that there were potentially large economic costs from not knowing with sufficient precision the size and geographic distribution of the population.\footnote{78}

The Office for National Statistics (ONS) has given priority to improving migration and population statistics. It is making improvements to the methods and data sources used to estimate the population at national and local levels during the inter-censal period. The ONS argued that these improvements were needed to minimise the risk of divergence between the rolled forward mid-year population estimates and the 2011 Census-based population estimates, and to better understand the differences that remain.\footnote{79}

62. The provision of accurate information about how many people are present within the country and where they are located is essential to effective policy-making and the effective delivery of services. Society is becoming more mobile and the information held electronically about events, persons and services by government agencies and other bodies has substantially increased. We require the Statistics Authority in response to this Report to set out the steps it will take to utilise and better link data held by the Government and by local government in order to provide a more accurate picture of the population within this country.

\footnotesize{\begin{itemize}
  \item \footnote{74}{Ev 291}
  \item \footnote{75}{Q 256}
  \item \footnote{76}{Ev 33, 44, 53, 59, 64, 69–108, 124–132, 142, 150–157, 166–183, 198}
  \item \footnote{77}{Ev 33}
  \item \footnote{78}{Ibid.}
  \item \footnote{79}{Ev 215}
\end{itemize}}
**Estimating international migration**

63. In 2005 (the last year for which detailed data is available), the IPS statistics on migration were based on interviews with 2,965 people who entered the United Kingdom and 781 people who left.\(^{80}\) This was a very small sample and suggests why there were large uncertainties surrounding the official migration numbers. In addition, it is difficult for the survey to keep pace with the dramatic change in the pattern of arrivals seen in recent years, for example in the change in movements between the UK and A8 countries. In 2005, only 94 citizens of the A8 countries were interviewed.\(^{81}\) Approximately 90% of all migrant interviews took place at Heathrow, with very few interviews taking place at other airports such as Stansted and Luton. The IPS may also fail to accurately measure international migration as the survey was not designed to measure net migration, but was designed to capture tourism and business travel; participation in the survey is voluntary and immigrants may be less likely to respond (perhaps because of language barriers); and the survey asks about intentions on arrival, not what people actually do.\(^{82}\)

64. Professor David Coleman pointed out that

> As a survey, the IPS is subject also to non-sampling errors including non-response. The questions also focus on intentions (about length of stay and where migrants will live). These are often not realised, or may subsequently change. To estimate the amount by which actual and intended length of stay differ, new IPS question were introduced in 2004, to be asked of those interviewed at the end of a stay. Based on the answers to these questions, adjustments have now been made to national estimates of long term migrants. For 2006, this added 28,000 to the estimate of net migration.\(^{83}\)

65. The Bank of England pointed out that there was a risk that current population estimates could be under-recording the true population. The Bank noted that “other sources of administrative data suggest that net migration from the A8 countries may be higher than is recorded in the latest population estimates”. The most recent official population data suggested that between mid–2004 and mid–2006 there was a gross inflow of 151,000 A8 citizens into the UK whose intended length of stay was at least one year, and a net inflow of 131,000. However, between May 2004 and June 2006, 433,000 A8 nationals registered for work under the Worker Registration Scheme (WRS) and had their application approved. Over the same period, just over 400,000 National Insurance Numbers were issued to people from A8 countries. The Bank explained that the reconciliation between the population data and the other sources required that either a very high proportion of those registering for the WRS or applying for National Insurance Numbers were temporary migrants, or that the population data was under-recording the
true level of net migration from the A8 countries. The Bank of England noted that weight should be attached to both hypotheses.\(^{84}\)

66. The Inter-departmental Task Force on Migration Statistics recommended that to improve information collected on migrants at ports, the ONS initiate a review of port surveys. An interim report of the review was published on the National Statistics website in October 2007.\(^{85}\) The report recommended that survey takers should undertake additional shifts at Manchester, Stansted and Luton from 2008 to improve the sample for migration purposes. The ONS told the Sub-Committee that this recommendation would be implemented. Further changes will be recommended for 2009 in the final report. Improved information from a port survey will be used in combination with other sources, such as the new enlarged household survey starting in 2008 and the 2011 Census.\(^{86}\)

67. The International Passenger Survey was designed to provide data primarily for tourism and business travel purposes. It is now called upon to play a central role in estimating international migration. It is clear from the evidence we have received that the Survey is not fit for this new purpose. We recommend that the Statistics Authority replace the International Passenger Survey with a new Survey that is more comprehensive and more suited to the accurate measurement of international movements affecting the size of the resident population of the United Kingdom.

Estimating internal migration between Local Authorities

68. Inaccurate or misunderstood population estimates can potentially invalidate policy decisions, and reduce the value for money of public services.\(^{87}\) The Statistics Commission cited examples of cases where population figures were not “fully fit for purpose”, such as statistics estimated in relation to inner city areas and statistics used as specific indicators of need to spend on public services that are not closely related to resident population numbers.\(^{88}\)

69. The Sub-Committee received 24 submissions from Local Authorities and Council which argued that the UK was not measuring population changes well at a local level and existing government data that could help local government researchers and policy staff was difficult to access.\(^{89}\) Sir Simon Milton, Chair of the Local Government Association and Leader of Westminster City Council explained that Local Councils found the current methods of estimating internal migration within UK unsatisfactory, “because,
fundamentally, councils are finding that they are having to service populations which their funding regimes do not recognise”.  

70. Some Local Authorities, such as Manchester and Westminster were directly and adversely affected by enumeration problems in the 2001 Census. Although total population figures were revised, the published census counts remained unchanged with the result that the figures were known to be unreliable. Professor Martin pointed out that such demonstrably inaccurate basic population counts could call into question the entire edifice of resource allocation decisions, target-setting, prevalence rates and area profiles which were essentially reliant on such key population data.  

71. Based on the evidence we have received, it is evident that there are substantial problems in generating accurate population estimates in some Local Authority areas. The current methods of estimating internal migration are unsatisfactory and lead to decisions on the allocation of funding to Local Authorities being based on inadequate information. The Statistics Authority should establish as an immediate priority the provision of local population statistics that more accurately reflects the full range of information available about local populations and the effects of internal migration.  

**Short-term migration**  

72. Estimates of international migration used in the mid-year population estimates are based on the United Nations definition of a long-term migrant: someone who moves to a country other than that of his or her usual residence for a period of at least a year (12 months), so that the country of destination effectively becomes his or her new country of usual residence. From the perspective of the country of departure the person will be a long-term emigrant and from that of the country of arrival the person will be a long-term immigrant.  

73. Short-term international migrants are not included in the usually resident mid-year population estimates. The Sub-Committee received written evidence from a number of statistics users stating that the ‘usually resident’ definition of population did not fully meet their needs because short-term international migrants were not included.  

74. The Statistics Commission stated:  

> Short-term migration is important as it is not normally included in the official figures for migrants (which, following international practice, only counts as ‘migrants’ those intending to stay for more than a year). But, perhaps particularly following EU enlargement, short-term migration has the potential—and already the reality in some areas—to have significant implications for local services.  

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90 Q 140  
91 Ev 24  
93 Ev 34
The Local Government Association reported that there was widespread concern among Local Authorities that the official population estimates did not reflect experience at local level. It stated.  

A particular difficulty with the usually resident definition concerns the treatment of migrants. The current system only counts those migrants who state the intention to remain in the UK for at least 12 months at the time of entry. There is considerable evidence that many migrants come for a shorter period (but nevertheless make demands on services); and that others stay for longer than they had originally intended.

75. London Councils argued that the exclusion from population estimates of migrants who enter Local Authority areas and use public services, but who did not settle for a year or longer, was clearly penalising areas such as London which had high levels of migration.

The definition of a resident from overseas for population purposes, currently defined as a migrant intending to reside in the UK for at least a year, has become increasingly important over the last few years due to increasing numbers of short-term migrants in the UK. This is a particular issue for London, as demonstrated by recent experimental statistics published by the ONS which suggest that 40% of all short-term migrants live in London. Therefore, the current definition of a resident fails to meet the need for population statistics for funding purposes because they exclude a significant proportion of people who are living in the capital. This means that Local Authorities that experience influxes of short-term migrants do not receive funding for people who are using their services. Thus, there is an urgent need for estimates of short-term migration at the Local Authority level, or for them to be included in existing population statistics.

76. The Sub-Committee received written evidence from many Local Authorities across the country expressing similar concerns about the impact of increased internal migration on resource allocation. They also explained the need for both long-term and short-term population estimates in order to plan service delivery.

77. One of the recommendations put forward by the Inter-departmental Task Force on Migration Statistics was to produce estimates of the number of short-term migrants. In January 2007, the ONS published a report on the feasibility of estimating short-term migration, followed by feedback in April and experimental estimates for England and Wales in October.

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94 Ev 110
95 Ev 70
97 Short-term migration feasibility report, ONS, January 2007
98 Summary of feedback received to short-term migration feasibility report, ONS, April 2007
99 Research report on short-term migration, ONS, October 2007
78. The ONS research report on short-term international migration published in October provides estimates of short-term migration at the national level for England and Wales. A regional split of London/non-London is also provided. Estimates of short-term migration are based on the United Nations definition of a short-term migrant: someone who moves to a country other than that of his or her usual residence for a period of at least 3 months but less than a year (12 months) for study or employment purposes.

79. Taking the ONS’s recent work on Short-Term Migrants as an example, there are estimated to have been only 43,000 Short-Term Migrants in England and Wales in the year up to June 2005, with just 16,000 of these in Greater London. These estimates are based on the International Passenger Survey, and appear to many users to be implausibly low when contrasted with administrative data such as National Insurance Numbers, which in 2005–6 recorded 235,640 new National Insurance Number registrations in Greater London alone. Many of the latter no doubt returned to their countries of origin within 12 months, but having the National Insurance Number counts available provides a valuable additional insight.

80. The recently published ONS experimental short-term migration estimates, although a welcome development towards estimating the true population, do not reflect the scale of migration in London that is evident from other administrative sources of data e.g. National Insurance registrations. Further work would be needed to improve these estimates and the sample sizes of international migrants entering the country need to be improved considerably to place greater confidence on the data.

81. ONS recognised the need to produce sub-national short-term migration estimates and was currently investigating the feasibility of producing estimates of the number of short-term migrants at local level. The Sub-Committee received evidence stressing the importance of ONS being allocated sufficient resources to produce robust local estimates of short-term migration.

82. The Statistics Commission stated that the accuracy of population estimates varies geographically across the country. Urban areas for example, characterised by large student and migrant populations, multi-occupancy households and ‘part-time’ residents, are subject to greater uncertainty in their population estimates than rural areas. The Statistics Commission suggested that ONS carry out a series of Local Authority case studies to investigate and create a good practice guide on different data sources available. Mr Dugmore argued that the accuracy of different administrative registers should be compared with the 2011 Census in view of the possibility of using administrative and population registers in counting the population in the future.
83. Official mid-year population estimates, based on the ‘usually resident’ definition of population, do not include short-term migrants. Such estimates do not fully meet the needs of Local Authorities and commercial users who are also interested in, for example, short-term migrants as well as day-time and week-day populations. We recommend that the Statistics Authority investigate the feasibility of producing population estimates based on different measures of population, such as estimates which include short-term migrants and estimates which include the day-time population of Local Authorities.

84. We are seriously concerned about the reliability and validity of ONS estimates of short-term international migrants. Evidence from administrative data sources such as the National Insurance Number register suggests the ONS estimates do not reflect the scale of short-term migration in England and Wales. We recommend that the Statistics Authority examine the feasibility of producing estimates of short-term migration at sub-national level, using the successor to the International Passenger Survey that we recommended earlier and a greater range of administrative data.

85. We further recommend that the Statistics Authority continue the ONS’s work with Local Authorities and carries out a series of case studies to identify alternative administrative data sources. These include the National Insurance Number register, GP lists, other health service lists, council tax records, and various registers on children and school children. Although we recognise that different areas have different problems associated with counting the population and administrative registers, we recommend that the Statistics Authority produce a best practice guide.
5 Preparing for the 2011 Census

Census preparation

86. Professor Martin noted that “Much better census publicity will be required in 2011, both locally directed, pointing out the importance to local communities of providing essential information for the provision of local services, and nationally, to create a supportive culture for this major data collection exercise by central government”.\(^\text{105}\)

Length of census questionnaire

87. The ONS told us that it was working on the assumption that it would produce a 24-page household questionnaire with three pages of individual questions per household member as in 2001. The Sub-Committee noted that there was significant demand for more topics than could be accommodated within three pages of individual questions.\(^\text{106}\)

88. The Sub-Committee was told that “a four-page census form would not be too long, if it was well-designed, although the well-established trade-off between form length and completion rates was acknowledged”.\(^\text{107}\) Professor Martin noted that there was a strong desire for a question on income to be included in the 2011 form.\(^\text{108}\) The ONS reported that it was seeking funding for an additional page of questions per person so that additional information could be collected on the population.\(^\text{109}\) The Exchequer Secretary assured the Sub-Committee that “whether we have a three page census or a four page census I am confident we will have a robust and useful one, but at the moment I am looking with other colleagues in government to see whether we can fund the fourth page”.\(^\text{110}\)

89. The National Statistician told the Sub-Committee that the ONS needed “an extra £25 million to have a fourth page and this is something that we are working very closely with departments and the Treasury on finding a way round.”.\(^\text{111}\) The Exchequer Secretary wrote to the Committee on 2 April 2008, to report that cross-government funding would be provided to finance the fourth page of the 2011 Census.\(^\text{112}\) The evidence we received highlighted the importance of funding a fourth page for the Census. Following our inquiry it was announced the extra £25 million need to finance this page would be provided through cross-government funding and we welcome this development.
Address register

90. Professor David Martin noted that “One of the single most important underpinning strategies for increasing response rates is to have an address list of the highest possible quality. The 2007 test showed that the best results were achieved by hand delivery of census forms and this approach must be retained for the hardest to count areas. Strong liaison with local government will be necessary to assist ONS in the creation and checking of local address lists for mail out. In particular, it will be important to identify and count the number of dwelling spaces in each area and to take full advantage of the address referencing system to track census forms”.

91. To improve the accuracy of the census a reliable address register is needed to identify people living in particular homes. We asked the Exchequer Secretary why no progress had been made to develop a national address register. The Exchequer Secretary said that there was no “easy answer to that. As you know, there are three different sources of address registers. We have never had a national address register.”

92. Professor Martin commented that the current competition between the National Land & Property Gazetteer and Ordnance Survey address products was a major threat to the census operation. He noted that each system had different strengths and weaknesses and there was no strategy for integration. ONS has proposed a comprehensive national address check in the run-up to the census; “yet this entire expensive process would be unnecessary if a single definitive national address list were maintained, in which case much of the address-checking resource could be devoted to other aspects of census data collection and production”.

93. The Exchequer Secretary accepted that all the sources required to compile a national address register existed within the public sector; however, she noted that “There are some issues about intellectual property rights and ownership to do with the Ordnance Survey. That is my understanding. … work was discontinued partially, I suspect, because some of these issues of intellectual property and failure to agree on how to move forward on those was a pretty intractable problem.”

94. The Exchequer Secretary to the Treasury stressed that

“The Ordnance Survey has its own trading fund status and its intellectual property rights issues. It would say that most of the electoral registers and the gazetteers are compiled using information that is their intellectual property. There were some pretty thorny issues. …. The decision was taken that the best way of proceeding with this would be the work that was ongoing to create the national identity card scheme and the address register that would follow could be piggy backed on that, rather than

113 Ev 25–26
114 Q 311
115 Ev 25–26
116 Ibid.
117 Q 312
this. That was the decision that was taken and announced in Parliament...in about 2006, a bit before my time in this Department.\textsuperscript{118}

95. The Exchequer Secretary to the Treasury accepted that it was “pretty frustrating” that the Government had failed to make progress in this area.\textsuperscript{119} We note that the Government has failed to make any progress in establishing an address register for the 2011 Census. We heard repeated references to the necessity of establishing the register yet were surprised to hear that no business case had been published. We recommend that such a case is prepared engaging all potential beneficiaries. It is unclear whether leadership weakness, lack of legislative means or the financial obligations of the trading fund status have contributed most to the failure. We recommend that the Government consult the Statistics Authority and others to remove any outstanding obstacles to the production of an address register.

\textbf{Census funding and value for money}

96. The Exchequer Secretary to the Treasury told the Sub-Committee

“ The settlement for the ONS and the new Statistics Board, which you will be aware is five years, not three, has been done out with the normal CSR process and did provide a generous settlement, certainly when you compare it to the other Chancellor’s departments for this. It provided extra money for work on migration statistics and regional statistics particularly, developing more accurate measures of gross value added at regional level. There is already some scope in the settlement that has been made but on top of that the work that [the National Statistician] has done, particularly on the proposed fourth page of the census, we all agree would cost about £25 million and some extra for changes to migration statistics on top of the additional millions that were put in the CSR settlement, so it is of that kind of order.”\textsuperscript{120}

97. The National Statistician told the Sub-Committee that she needed more money to improve migration statistics. The Exchequer Secretary to the Treasury told the Sub-Committee that there was “not a specific amount for that that has been identified in quite the same way, but certainly it is important to know that in the CSR settlement and in the settlement letter there is explicit reference to extra funding that has been given. I think it is around five million a year for improvements in migration statistics in GBA. She is now saying that she needs more to add sophistication to migration statistics and we are certainly looking to see what we can do about that.”\textsuperscript{121}

98. Sir Michael Scholar told the Sub-Committee that if there was not sufficient funding provided then the Board would have to consider restricting the type of statistics that ONS
provide to government departments. The Exchequer Secretary argued that the Statistics Board had had a very generous settlement in their five year settlement. “They have £30 million to help pay for the process of moving to independence. They have £450 million for the census and they have the equivalent of 240 million a year for the next five years, which is much more generous than the other Chancellor’s departments”.123

Census delivery contract

99. The three UK Census Authorities, the ONS (for England and Wales), the General Register Office for Scotland and the Northern Ireland Statistics and Research Agency shortlisted two companies for the final phase of negotiations to find the supplier to help deliver the 2011 Census data capture and associated services.

100. The procurement is a joint process for the UK Census Authorities which are looking for one contractor to provide the service for both the Census Rehearsal in 2009 and the full Census in 2011. The eventual contractor’s role would be to provide systems and services to assist with the collection and capture of data from the questionnaire. This would include managing the interfaces between the various services which will be carried out by other contractors. Lockheed Martin and T-Systems will be involved in further discussions and negotiations to refine requirements and costs which will lead to a best and final offer.

101. Both firms were involved in the 2007 Census Test. The main purpose of the Test was to examine the implications of the possible questionnaire and the ‘post-out, post back’ procedures. Lockheed Martin had responsibility for the printing of forms, delivery and data capture. T-Systems looked after the call centre, and operational intelligence which provided management information about the returned questionnaires to HQ and staff in the field. Both companies used a consortium of mostly UK-based companies to support their work.124

102. Lockheed Martin, one of the bidders for the 2011 delivery contract, has been the subject of an internet campaign to prevent it securing the delivery contract. The protesters are concerned that once census data entered the United States, it may be subject to forcible disclosure under the Patriot Act 2002.125 The Act could require Lockheed Martin to provide information which they have gained through the UK census to the United States authorities. Lockheed Martin was involved in carrying out the 2006 Census in Canada and protests there led to the creation of a new privacy task force during the Census.126

103. Ms Matheson told the Sub-Committee that the ONS was “aware of the Patriot Act of course and have discussed the Patriot Act with both the potential suppliers. We are in a procurement phase at the moment so I do not want to say too much more about that but

122 Qq 190–191
123 Q 302
125 Qq 211–212
126 Ibid.
we have had discussions with them and we are taking legal advice with a view to making sure that the commitment we give to census form fillers is one that we can abide by, that is, that the data are kept confidential and secure for 100 years.”

104. American Bar Association’s Human Rights Magazine, argued that the definition of "foreign intelligence information" contained in the Patriot Act was quite broad. Foreign intelligence is defined to mean "information relating to the capabilities, intentions, or activities of foreign governments or elements thereof, foreign organizations, or foreign persons or international terrorist activities." The definition goes on to specifically include information about a US person that concerns a foreign power or foreign territory and "relates to the national defense or the security of the United States" or "the conduct of the foreign affairs of the United States."  

105. The Exchequer Secretary wrote to the Sub-Committee to clarify the issue:

The procurement process for the support service for the 2011 Census is currently ongoing, so I am not in a position to comment on the detail of the bids. However, I can assure you that the eventual contract that ONS places with the successful bidder will have sufficient provisions to ensure that the service provider will, at no stage, allow the removal from the United Kingdom of any completed paper questionnaire, or any electronic data or images that could in any way identify an individual. Both the warehouse and the processing centre will be located within the United Kingdom.

The contract will be written specifically to warrant that the service provider protects the confidentiality, integrity and availability of confidential information, personal data and Census data. By providing this they must install security measures that comply with UK HMG specifications for RESTRICTED (Baseline) level operations.

106. We remain concerned that the personal information gathered through the 2011 Census could be subject to the United States Patriot Act and therefore we ask the Government to take clear legal advice and advice from the US State Department and to publish it in response to this Report.

127 Qq 211–212
6 Improving current statistics

Recognising the need for change

107. In 2003, the ONS reported that a number of factors had developed since the 1970s that reduced the effectiveness of traditional methods used to obtain population estimates and supported an increased use of existing alternative sources used for counting the population of the UK and understanding its characteristics. These factors were:

- confidence in the ability of a traditional census to obtain all information periodically needed from the whole population has declined;
- the rate of change within society has quickened, this requires Central and Local Government to measure characteristics and structures of the population more frequently in order to support policy and decision making;
- the amount of electronically held data about events, persons and services by government agencies and other bodies has substantially increased, particularly those captured in the administrative and monitoring processes associated with the running of public services; and
- computing capability has expanded allowing ready linkage and analysis of datasets on a larger scale than could have been envisaged previously. 129

108. Professor Coleman argued that “all aspects of population statistics in the United Kingdom are in an unsatisfactory state. Even the base population remains uncertain”. 130 Professor Martin argued that in growth areas, current annual population estimates failed to anticipate or keep pace with the additional demands on resources resulting from a growing population. He noted that “there are particular weaknesses associated with all types of migrant populations”. 131

Inter-Departmental Task Force on Migration Statistics

109. In May 2006 the ONS established an Inter-Departmental Task Force on Migration Statistics with other government departments. The objective of the task force was to recommend timely improvements that could be made to estimates of migration and migrant populations in the United Kingdom, both nationally and at local level. The interim report of the task force was published in October 2007. 132

110. The Inter-departmental Taskforce on Migration Statistics recognised the potential for improving statistics through using records from administrative sources. It recommended
that access to a number of such sources was essential to develop record linkage approaches to measuring migration. Sources identified include components of the Work and Pensions Longitudinal Study (WPLS), migration statistics from new NHS IT systems, the School Census, and the Higher Education Statistics Agency (HESA). Taking forward the recommendations of the taskforce, ONS prioritised negotiating access to these sources. A framework for access was provided by the Statistics and Registration Services Act 2007. The Act contained powers to enable information sharing between public authorities and the newly established Statistics Board for statistical purposes. The powers are subject to the following safeguards:

- protection of confidentiality;
- only where there is no existing power/it is otherwise prohibited by law;
- subject to bilateral Ministerial agreement;
- sharing only for specific purposes and subject to a public interest test and
- Parliamentary approval.

111. The use of administrative records in combination would require the development of new tools and techniques, including the ability to evaluate the quality of the information for statistical purposes. The ONS told the Sub-Committee that projects specifically related to population statistics, Census and administrative data would be undertaken in 2008/9 to build on the work of the Taskforce. 133

**Estimating internal migration**

112. The National Statistician told the Sub-Committee that the ONS was “confident about the national figures on the number of people entering and leaving the country”, however she pointed out that they were “not nearly so clear about is where they actually go after they have arrived, where they settle, so we have already put in place an improvement in our latest population estimates using information from our household surveys, because from that we get a much better idea about where people are distributed around the country”.134

113. The National Statistician told the Sub-Committee that the ONS had plans to continue improving the estimates, it had begun work with other government departments and Local Authorities to investigate “the use of administrative data which exists in central government, things such as the National Insurance Number register, the various registers that we have around children and schoolchildren”.135 However Professor Coleman argued that it was clear “that all these systems, never very effective, are now so unreliable that they have reached the end of the road of any effective radical improvement”.136

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133 Ev 214
134 Q 193
135 Q 194
136 Ev 184
Local Authority information

114. ONS reported that it had worked with Local Authorities to investigate local sources of information to assess whether they could be used on a nationally comparable basis to improve population estimates. Studies of four Local Authorities were conducted, each representing areas with specific issues in estimating population accurately. The sources examined included:

- The Electoral Register records people resident in each Local Authority who would be 18 or older during each year beginning 16 February and are eligible to vote in local government, devolved administration and or Parliamentary elections;
- Housing Needs Surveys that are carried out by all Local Authorities in England; and
- Council Tax Billing and Exemptions list based on a register of dwellings kept at the Valuation Office Agency. Each Local Authority is responsible for administering its own billing list.

115. ONS published reports on the individual studies earlier in 2007. Workshops were held to discuss these reports, to which all Local Authorities were invited. ONS will shortly be publishing a final report on this work.

Improving uses of administrative and survey data

116. National Insurance Number, Worker Registration System (WRS) and NHS Patient Registration data are commonly cited as alternative measures of population change. A comparison of these sources was published recently. ONS is investigating how aggregate level counts from these and other alternative sources might be used in migration estimation and in producing additional indicators of population change at local level. The uses of and access to individual records is also being reviewed, following the recommendations of the Inter-Departmental Taskforce on Migration Statistics. Use of individual records from administrative sources would, in particular, make it possible to undertake linkage between information held on different sources. However, such data are potentially restricted and so are subject to limitations on access.

117. Work has recently been undertaken within Departments, such as DWP, to investigate how existing linked data can be further exploited to improve the identification of migrant histories, including improved identification of emigration from the UK.
E-Borders programme

118. The aim of the e-Borders programme is to transform the UK.’s border control to ensure greater security, effectiveness, and efficiency. It intends to use the "latest electronic technology" to provide a way of collecting and analysing information on everyone who travels to or from the United Kingdom. Other technologies, particularly biometrics, will ensure people can be identified securely and effectively.143

119. The UK Border Agency is responsible for delivering the e-Borders programme, and is doing so with the support of the police and HM Revenue & Customs. Information will be gathered on all travellers, passengers and crew entering or leaving the country by air, sea or rail.

120. The Home Office e-Borders programme aims to establish a modernised, intelligence-led border control. In the long-term e-Borders will provide the best option for recording individual movements into and out of the UK and length of stay in the UK for all modes of transport. However, it will only provide information about people arriving and leaving the UK not where in the UK they will live. In so far as it is possible to link journeys into the country with journeys out for the same individual, by identifying travel patterns it is in principle possible to separately identify long-term migrants, short-term migrants (including seasonal workers) and visitors. However detailed analysis will be required to develop rules for categorising people with more complex travel patterns, for example distinguishing those who take up residence in this country for a prolonged period but make frequent trips abroad from those who reside abroad but frequently visit the UK.144

121. The ONS is responsible for statistics on international and internal migration whereas the Home Office is responsible for statistics on immigration control. The ONS has been participating fully with the Home Office in the early stages of the e-Borders procurement process to ensure that full use can be made for analysis purposes of the extensive data that should start to become available from 2009.145

122. The Bank of England noted that there was a range of other data sources available on international migration which could be of use in the construction of population data. National Insurance Numbers issued and the Workers Registration Scheme data for A8 nationals are likely to be the most useful sources. Until the arrival of e-Borders there was no obvious replacement for the IPS as the main survey used to measure migration, but given the limitations of this survey already discussed other data sources could be used as a cross-check on the plausibility of IPS based migration data.

123. The Bank noted that the main problem with the alternative data sources is that they use different definitions of a migrant to that used in the mid-year population estimates and many can only be used to measure gross inflows rather than net migration. The ONS had already carried out a review of the potential to use these administrative data sources in

143  How e-borders works, Home Office, www.homeoffice.gov.uk/
144  Ev 213
145  Ev 209–212
population estimates. A publication to bring together and report in a coherent manner all the statistics collected across Government on migration and migrants is also planned. The ONS also plan a migration module, as an ad hoc addition to the LFS in 2008.

124. The ONS told the Sub-Committee that,

The e-Borders programme will create a joined up modernised intelligence-led border control and security framework. Enhanced information about passengers and their movements, and its communication through the use of new technology, processes and procedures will allow Immigration Service and other agencies including Police, Customs and Excise, Security Services to work more closely together to maintain the integrity of border control, target activity against those who have no right to be in the UK and assist in the fight against terrorists and criminals.

125. E-Borders will allow the ONS to introduce pre-boarding electronic checks of all persons flying to the UK, which will let us stop known security risks travelling. It will also collect information on when people arrive and whether they leave, which will help the Home Office to stop people staying in the UK when they have no right to. Bona fide travellers will also gain from faster clearance at points of entry.146

126. The Inter-departmental Task Force on Migration Statistics was established by the ONS in 2006 to undertake much needed research into the improvements that could be made to of estimates of migration within the United Kingdom. We expect the Statistics Authority to take this work forward.

146 How e-borders works, Home Office, www.homeoffice.gov.uk/
7 Beyond 2011

Population registers

127. Population registers rely on administrative records as the primary source of census-type statistics. The Sub-Committee took evidence that suggested the development of a population register within the United Kingdom could be used to provide a snapshot of the population at any time.\(^\text{147}\) Professor Rhind suggested that there was probably no better solution than to actually run something based primarily upon administrative statistics, administrative data sources, with information coming from ports about emigration and immigration, and a whole variety of other administrative data sources used to triangulate where people are and where they are moving to.\(^\text{148}\)

128. He pointed out that such a method had worked extremely effectively within the Scandinavian context. It was inexpensive and provided “the linkage between population data, households, properties and also businesses gives a range of outputs that we cannot possibly match”.\(^\text{149}\) The Statistics Commission suggested that the 2011 Census should be used as an opportunity to compare existing administrative data sources in parallel with the census, “an experiment to see just how the two would stack up”.\(^\text{150}\)

129. The Statistics Commission noted that both statisticians and commentators within the UK had aspirations to have systems more like those in the Nordic countries; and the Statistics and Registration Service Act 2007 may facilitate some steps in that direction. The fundamentals of the Nordic model typically included:

- A long established statistical office whose public service role and independence is formally recognised in legislation.
- A reliance on registers—of population, households, addresses, businesses etc—rather than sample surveys as the basis for most of the key social and economic statistics.
- A positive relationship with the media in which the statistical office is regarded as a trusted source. The offices are mindful to avoid being the subject of news stories themselves.
- Well-developed arrangements for engagement with users of statistics and other stakeholder groups.

\(^{147}\) Ev 30
\(^{148}\) Q 15
\(^{149}\) Ibid.
\(^{150}\) Ibid.
• Practical dominance in the field of official statistics, in the sense that few other official bodies seek to produce statistics separately from, or without the formal endorsement of, the national statistical office.

• Well developed ethical and professional codes.\textsuperscript{151}

130. Mr Kelly, Head of Macroeconomic Prospects Team, HM Treasury, recognised that population registers operated effectively within Sweden but cautioned that “Sweden is quite a pliant society”. He argued that creating a population register provided no guarantee it would be accurate as it depended “on how people react to that, whether they comply with the arrangements that are in place. You cannot necessarily just transplant a population register from one country to another and expect it to produce the same degree of reliability”. He also pointed out that the United Kingdom did have a variety of registers that measured the population “albeit not comprehensive ones”. Mr Kelly concluded that “the ONS is very keen to exploit this data ... but there clearly is quite a long way to go in developing the equivalent of a population register for the UK”.\textsuperscript{152}

131. A European Commission survey in Spring 2007 asked, in each of the 27 EU member states, whether the public trust official statistics.\textsuperscript{153} The Netherlands, Finland and Sweden were in the top five. The UK came an uncomfortable 27th. The Statistics Commission noted that there could be “little doubt that the Nordic countries have something to which we should properly aspire”.\textsuperscript{154} Professor Rhind acknowledged that “data-sharing culture in British government departments is perhaps not as good as we need it; clearly there are some confidentiality constraints, especially in the view of recent events, which we would need to get over”\textsuperscript{155}

132. The UK statistical system faces a far greater challenge in changing the methods by which it counts the population than a country such as Sweden as there is clearly a far greater requirement within the UK to build up public trust. The Statistics Commission explained that there were “numerous encampments of statistical expertise spread through central government and the devolved administrations and, until now, little central authority. Whilst we now have a statutory framework, it is looser, lighter and less easily understood than in the Nordic countries”. The Commission hoped that the new Statistics Authority would be able to exercise much greater central authority than was possible previously. The Statistics Commission recognised that the new Authority’s “statutory assessment function is a potentially stronger and more structured way to ensure standards than we have seen elsewhere”.\textsuperscript{156}


\textsuperscript{152} Q 107

\textsuperscript{153} Special Eurobarometer: Europeans knowledge on economical indicators, European Commission

\textsuperscript{154} The Nordic Contrast: a paper by the Statistics Commission, September 2007

\textsuperscript{155} Q 15

\textsuperscript{156} The Nordic Contrast: a paper by the Statistics Commission, September 2007
The international use of population registers

133. The Statistics Commission noted that there were many benefits of linked population registers. Most dramatically, periodic Censuses could be replaced by a flow of continuously updated, and generally reliable, information about people, households and businesses, saving a great deal of money in the process. This could be supplemented where necessary with sample survey information. 157

134. The National Statistician acknowledged that some Scandinavian countries used population registers instead of a census. She told the Sub-Committee that the ONS was “pursuing ideas around whether we can create registers for statistics from the existing registers that we have but the first thing to say is that there are several registers in the UK, none of them actually do the job adequately, and also we believe that to have a really reliable register for this purpose you need to have some legal backing to it”. She pointed out that in Scandinavian countries the population was legally bound to report changes of address every time they leave, and the UK did not have any administrative systems which required that as a matter of law.158

135. The Statistics Commission identified two reasons as to why the United Kingdom was not making more rapid progress towards adopting a similar approach to that used in the Nordic Countries: “One is that the task of establishing reliable population and other registers in large countries, with significant migration in and out, is likely to prove more difficult and expensive. Another is that public opinion is much less ready to accept that such registers will be in the public interest and used only in the public interest.”159

136. Professor Coleman also proposed “that existing systems should be brought together and connected with, or replaced by, a compulsory continuous population register for all UK citizens and non-UK citizen residents incorporating a unique person-number”.160 Professor Coleman argued that some elements of such a system were already in place. All births in the UK (and legal immigrants) have had a birth number assigned to them through the NHS system which tracks all their medical records and follows them as they move house around the country through the computerised NHS Central Register at Southport. The National Insurance Number was a near-universal number increasingly used as a general identifier for persons over age 16, for tax and other purposes, well beyond the scope of its original intended function.161

137. The ONS has carried out research directly with some Local Authorities to evaluate local population estimates using various local and national sources of information and recently published a review of the potential use of some administrative sources in relation to making population estimates. However, the Statistics Commission suggested that more local area research, particularly to evaluate official estimates against several administrative systems, would be needed.162

157 The Nordic Contrast: a paper by the Statistics Commission, September 2007
158 Q 202
159 The Nordic Contrast: a paper by the Statistics Commission, September 2007
160 Ev 185
161 Ev 291
sources of information in the most problematic areas, should be carried out and published by government. The Commission argued that such estimates should all be produced in the same systematic way. The aim would instead be to get a better understanding of the scale, geographical variability and distribution of the problems with population and migration estimates.\footnote{162}{Ev 35–36}

138. Professor David Martin told the Sub-Committee that “there is a clear window of opportunity surrounding the 2011 Census for cleaning and testing administrative sources and investigating their exact relationship with the census methodology for obtaining small area demographic information”.\footnote{163}{Ev 27}

139. The highly developed statistical systems within the Nordic Countries provide important examples for the UK statistical system. The development of computerised administrative records in the UK has moved on rapidly in recent years and that development looks set to continue. The Department for Work and Pensions already has an extremely powerful register of personal information. The Statistics and Registration Service Act has established a framework for conditions under which such information could be used for statistical purposes. We recommend that the Government work with the Statistics Authority to ensure that strong ethical safeguards are put in place to protect the personal information held by government departments. We further recommend that the Statistics Authority set out in response to this Report the action that the Authority will take under the powers in the Statistics and Registration Service Act to develop the Government’s administrative databases to provide a more accurate and cost effective method of monitoring the population.

140. We recommend that the Statistics Authority establish a pilot project enabling a population register to be operated alongside the 2011 Census in order to compare the effectiveness of such a system with that of the Census.

\textbf{NHS registers}

141. Manchester City Council told the Sub-Committee that:

There are problems with the NHSCR data, as it is more robust for children and elderly people, as they are more likely to register with a GP. It is poor on young adults and men generally who are less likely to register with a GP, and it suffers a level of list “inflation” as a result. Also, as the data is rounded to the nearest 100 for age groups, small variations are not shown and sub-totals do not add up to totals.\footnote{164}{Ev 181}

142. The City of London Corporation noted that the National Health Service Central Register (NHSCR) provided useful internal migration information but it could provide better information on the movements of international migrants within the UK. The current Register was unable to track international migrants once they had registered within
the UK and subsequently moved to a different GP. The City of London Corporation stressed that “as the NHSCR in England is to be replaced with a new system in the near future, it is imperative that the Department of Health and ONS work together to ensure the opportunities offered by a new system are not lost. The retention of an international migrant registration flag in the register for a fixed period of time would prove very useful”.165

143. The ONS explained that information from patient registers was not currently used in estimating international migration. Although the first registration of those allocated a new NHS number on arrival in the country was separately identifiable, such identification was not retained when the patient registered with a second or subsequent GP. Therefore, by the time an annual snapshot was obtained, many new migrants would not be identified which would result in a systematic undercount. The ONS further argued that NHS registers were not appropriate for measuring international emigration because there was currently no incentive to de-register when leaving the country and therefore very few people did so.166

144. Professor Martin told the Sub-Committee that:

> Health service data derived from GP registrations are the nearest available to whole population administrative data, and an important source of internal migration data. …The principal difficulties identified in relation to all administrative databases are the conflict between operational and statistical requirements and the fact that the demographic information obtainable is usually very basic. This means that sources such as the GP registration lists do not currently hold any of the more useful applied (and sensitive) data which might help to address the deficiencies of existing methods.”167

145. **NHS registers provide useful but limited data on population movements. We recommend that the Statistics Authority liaise with the Department of Health on the project to replace the current National Health Service Central Register to ensure that opportunities offered by a new system for improvements in the contribution of such data to population statistics are not lost.**

**The future of the Census**

146. Professor Rhind told the Sub-Committee that “Given that we know that migration data and, indeed, population census data in certain respects is not fit for all the purposes we require, it is appropriate to look around to see what other people are doing. The Statistics Commission...concluded that the traditional census, of which in some ways the British one is the most traditional of all...has almost had its day.”168
147. The ONS has argued that “there is an ongoing need for high quality census information, and that it can only be provided by a traditional census in 2011. No alternative source would provide the quality of data required… beyond 2011, if a national identity register were to be developed this might form the basis for a future Integrated Population Statistics System, which could remove the need for a census at some point”. The ONS reported that it would be initiating a project to review the alternatives to a census for 2021.

148. The Economic and Social Research Council noted that “some very relevant comparator countries (e.g. US, France, Netherlands, Scandinavia) have moved away from conventional census enumeration while those with more frequent censuses (e.g. Republic of Ireland, Australia, New Zealand) have not yet experienced the level of enumeration difficulty seen in the UK in 2001”. The Demographics User Group argued that “many changes in society—more migration, daily commuting, weekly commuting, and more entry phones—make it increasingly difficult to assemble reliable and current statistics about the population using traditional methods such as voluntary sample surveys and the decennial Census … Government should … pursue potential new sources”. The Statistics Commission concluded that “whatever future path is determined by Government for the UK, we believe 2011 should be the final Census of its traditional kind and planning for the longer term, at the top level of government, should start now”.

149. We recommend that the Statistics Authority set strategic objectives to ensure that the data gathered throughout the UK can be used to produce annual population statistics that are of a quality that will enable the 2011 Census to be the last census in the UK where the population is counted through the collection of census forms.

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170 Ev 219
171 Ev 140
172 Ev 21
173 Ev 34–35
Conclusions and recommendations

1. this Report presents our final consideration of the work of the Office for National Statistics and its effectiveness in counting the population, except insofar as they relate to our scrutiny of economic indicators. (Paragraph 7)

2. We recognise that in a period of significant population change and individual mobility meeting the requirements of users has become more complex for the Statistics Authority. The amount of population turnover, both nationally and locally has made it increasingly difficult for the current methods of counting the population to estimate the numbers of people in an area and on what basis they are there. (Paragraph 48)

3. It is accepted that population estimates are central to every national system of official statistics. They are used in statistical formulae that allocate vast sums of public money to the devolved administrations, to local government, the health service and public services. It is therefore a matter of social responsibility to ensure that population statistics are calculated accurately. (Paragraph 53)

4. The provision of accurate information about how many people are present within the country and where they are located is essential to effective policy-making and the effective delivery of services. Society is becoming more mobile and the information held electronically about events, persons and services by government agencies and other bodies has substantially increased. We require the Statistics Authority in response to this Report to set out the steps it will take to utilise and better link data held by the Government and by local government in order to provide a more accurate picture of the population within this country. (Paragraph 62)

5. The International Passenger Survey was designed to provide data primarily for tourism and business travel purposes. It is now called upon to play a central role in estimating international migration. It is clear from the evidence we have received that the Survey is not fit for this new purpose. We recommend that the Statistics Authority replace the International Passenger Survey with a new Survey that is more comprehensive and more suited to the accurate measurement of international movements affecting the size of the resident population of the United Kingdom. (Paragraph 67)

6. Based on the evidence we have received, it is evident that there are substantial problems in generating accurate population estimates in some Local Authority areas. The current methods of estimating internal migration are unsatisfactory and lead to decisions on the allocation of funding to Local Authorities being based on inadequate information. The Statistics Authority should establish as an immediate priority the provision of local population statistics that more accurately reflects the full range of information available about local populations and the effects of internal migration. (Paragraph 71)

7. Official mid-year population estimates, based on the ‘usually resident’ definition of population, do not include short-term migrants. Such estimates do not fully meet the
needs of Local Authorities and commercial users who are also interested in, for example, short-term migrants as well as day-time and week-day populations. We recommend that the Statistics Authority investigate the feasibility of producing population estimates based on different measures of population, such as estimates which include short-term migrants and estimates which include the day-time population of Local Authorities. (Paragraph 83)

8. We are seriously concerned about the reliability and validity of ONS estimates of short-term international migrants. Evidence from administrative data sources such as the National Insurance Number register suggests the ONS estimates do not reflect the scale of short-term migration in England and Wales. We recommend that the Statistics Authority examine the feasibility of producing estimates of short-term migration at sub-national level, using the successor to the International Passenger Survey that we recommended earlier and a greater range of administrative data. (Paragraph 84)

9. We further recommend that the Statistics Authority continue the ONS’s work with Local Authorities and carries out a series of case studies to identify alternative administrative data sources. These include the National Insurance Number register, GP lists, other health service lists, council tax records, and various registers on children and school children. Although we recognise that different areas have different problems associated with counting the population and administrative registers, we recommend that the Statistics Authority produce a best practice guide. (Paragraph 85)

10. The evidence we received highlighted the importance of funding a fourth page for the Census. Following our inquiry it was announced the extra £25 million need to finance this page would be provided through cross-government funding and we welcome this development. (Paragraph 89)

11. We note that the Government has failed to make any progress in establishing an address register for the 2011 Census. We heard repeated references to the necessity of establishing the register yet were surprised to hear that no business case had been published. We recommend that such a case is prepared engaging all potential beneficiaries. It is unclear whether leadership weakness, lack of legislative means or the financial obligations of the trading fund status have contributed most to the failure. We recommend that the Government consult the Statistics Authority and others to remove any outstanding obstacles to the production of an address register. (Paragraph 95)

12. We remain concerned that the personal information gathered through the 2011 Census could be subject to the United States Patriot Act and therefore we ask the Government to take clear legal advice and advice from the US State Department and to publish it in response to this Report. (Paragraph 106)

13. The highly developed statistical systems within the Nordic Countries provide important examples for the UK statistical system. The development of computerised administrative records in the UK has moved on rapidly in recent years and that development looks set to continue. The Department for Work and Pensions already
has an extremely powerful register of personal information. The Statistics and Registration Service Act has established a framework for conditions under which such information could be used for statistical purposes. We recommend that the Government work with the Statistics Authority to ensure that strong ethical safeguards are put in place to protect the personal information held by government departments. We further recommend that the Statistics Authority set out in response to this Report the action that the Authority will take under the powers in the Statistics and Registration Service Act to develop the Government’s administrative databases to provide a more accurate and cost effective method of monitoring the population. (Paragraph 139)

14. We recommend that the Statistics Authority establish a pilot project enabling a population register to be operated alongside the 2011 Census in order to compare the effectiveness of such a system with that of the Census. (Paragraph 140)

15. NHS registers provide useful but limited data on population movements. We recommend that the Statistics Authority liaise with the Department of Health on the project to replace the current National Health Service Central Register to ensure that opportunities offered by a new system for improvements in the contribution of such data to population statistics are not lost. (Paragraph 145)

16. We recommend that the Statistics Authority set strategic objectives to ensure that the data gathered throughout the UK can be used to produce annual population statistics that are of a quality that will enable the 2011 Census to be the last census in the UK where the population is counted through the collection of census forms. (Paragraph 149)
Formal minutes of the Treasury Sub-Committee

Wednesday 14 May 2008

Members present

Mr Michael Fallon, in the Chair

Nick Ainger
Ms Sally Keeble
John McFall

John Thurso
Mr Mark Todd

Counting the population

Draft Report (Counting the population), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 83 read and agreed to.

Paragraph 84 read, amended and agreed to.

Paragraph 85 to 94 read and agreed to.

Paragraph 95 read, amended and agreed to.

Paragraphs 96 to 149 read and agreed to.

Summary read, amended and agreed to.

Resolved, That the Report, as amended, be the Second Report of the Sub-Committee to the Committee.

Ordered, That the Chairman make the Report to the Committee.

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[Adjourned till a date and time to be fixed by the Chairman]
Counting the population

Formal minutes of the Treasury Committee

Wednesday 14 May 2008

Members present

John McFall, in the Chair

Nick Ainger
Mr Michael Fallon
Ms Sally Keeble

John Thurso
Mr Mark Todd

*****

Counting the population

Draft Report from the Sub-Committee (Counting the population), brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 149 read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Eleventh Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134 (Select committees (reports)).

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Tuesday 20 May at 9.30 am.]
Witneses

Wednesday 16 January 2008

Mr Keith Dugmore, Demographic Decisions, Professor David Rhind, Statistics Commission, and Professor David Martin, Royal Statistical Society

Wednesday 23 January 2008

Mr Charlie Bean, Chief Economist, and Mr Neal Hatch, Head of the Structural Economic Analysis Division within Monetary Analysis, Bank of England, Mr Christopher Kelly, Head of Macroeconomic Prospects Team, and Mr James Richardson, Head of Home and Legal Team, Her Majesty’s Treasury

Sir Simon Milton, Chairman, Local Government Association, Mr Andrew Blake-Herbert, Strategic Director of Finance and Policy, Slough Borough Council, Mr Mike Curtis, Director of Finance, Islington Council, Mr John Bradley, National Census Co-ordinator, Manchester City Council, and Mr Geoff Sanford, Director of Finance and Information, NHS Newham Primary Care Trust

Monday 28 January 2008

Ms Karen Dunnell, National Statistician and Registrar General for England and Wales; Ms Jill Matheson, Director, Census Demography and Regional Statistics Office, Office for National Statistics; and Sir Michael Scholar, Chair, The Statistics Board

Wednesday 6 February 2008

Angela Eagle, MP, Exchequer Secretary to the Treasury

List of written evidence

1. HM Treasury
2. London Borough of Newham
3. Office for National Statistics
4. Exchequer Secretary to the Treasury
5. Bank of England
6. Mr Philip Redfern
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Wednesday 16 January 2008

Members present
Mr Michael Fallon, in the Chair
Nick Ainger
Mr Graham Brady
Jim Cousins
Mr Philip Dunne
Mr Andrew Love
John Thurso
Mr Mark Todd
Peter Viggers

Witnesses: Mr Keith Dugmore, Demographic Decisions, Professor David Rhind, Statistics Commission, and Professor David Martin, Royal Statistical Society, gave evidence.

Q1 Chairman: Professor Rhind, welcome back to the sub-committee. Perhaps you could introduce yourself and your colleagues, please.

Professor Rhind: Thank you, Sir. It is a pleasure to be back. I am Chairman of the Statistics Commission for another few weeks before the Statistics Board takes over. Sitting next to me is Professor David Martin from Southampton University, who is here representing, I think, the ESRC and the Royal Statistical Society, who have put submissions in, and on the left is our man from the private sector, Keith Dugmore, who runs a firm called Demographic Decisions.

Q2 Chairman: Thank you very much. Thank you for assisting us this afternoon. Please do not feel that all three of you have to answer all the questions; you could try and rotate it and take a stab at it. Can I ask, first of all, about emigration. The ONS released figures estimating that around 400,000 people emigrated last year, up from 359,000 in 2005. Are there any indications that emigration rates will continue to increase?

Professor Rhind: That sounds like one for David Martin, I think.

Professor Martin: I think our biggest difficulty with the emigration information is the fact that all of the estimates are based on small samples of information about what we know about where people are going, and so we do not have any systematic way of collecting that information, and it is one of the biggest gaps in the system that we have for estimating who has left and who has gone. While we continue not to capture that information systematically, it is very hard to see what frameworks you would use for it. It remains for us the greatest uncertainty in the system, where we try to match the flows of people in and out of the country and what the stock that remains now is. I would be extremely hesitant to try to estimate whether those figures are right, because we are always judging them on the basis of a very small sample, and quite rapidly changing trends can lead to quite significant changes in the direction of flow.

Q3 Chairman: Are you telling us that the emigration statistics just are not accurate?

Professor Martin: We have very little information on emigration. We can conduct surveys to ask people where they are going, but we do not know where they have gone and how long they stay and we do not know a lot about the extent to which quite a few people have left the country and how well they do what they have told us they were likely to do when they return—whether they stay away or change their minds once they have gone.

Q4 Chairman: If they do leave, how long is it before their absence is reflected in the population estimate?

Professor Martin: The mid-year estimates build in information which is both demographic, to do with what we understand about the change in local populations and what we understand about the flows of migrants both internal to the country and out of the country, and so, on a rolling basis, the Office of National Statistics is trying to put all that together. It is not a precise art, in the sense that you know exactly where the groups have gone. Often we know something about where people have gone out of the country; we know a lot less about which part of the country they have gone from; so it is then very hard to then build it back to migrants from Manchester or migrants from London. We are actually an art of estimating back which parts of the country are losing the population according to their demographic characteristics in quite small sample proportions.

Q5 Chairman: If the ONS tell us, as they told us in October, that the overall population of the UK is likely to increase from 61 million last year to 65 million in 2016, how much accuracy should we attach to that projection?

Professor Rhind: Do I not recall that there were several scenarios? Was that the central measure that they were suggesting? I do not think anyone would claim a great deal of precision for these anticipated population increases.

Q6 Chairman: Obviously there are assumptions built in here about life expectancy, future fertility, emigration, immigration, and so on, but why would you expect trend growth to have increased since the projections made in 2004?

Professor Martin: I do not think that you can focus only on the emigration part of that as being the explanation for the figures you have got there. As I recall, a number of scenarios were presented and they are sensitive to future decisions, future policy changes, which affect the way in which people make decisions about whether they go out of the country short-term and return, and the emigration...
component, where we began, is actually the least certain part of that, whereas the internal movements and the demographic change and the changing size of different groups who come in is more robust. One of our biggest uncertainties relates to people’s future decisions to stay away, and I think that is reflected in the scenarios which we presented.

Q7 Chairman: Which of all these factors has the most influence on the projections?
Professor Martin: The migration is the largest component of change, if we look at contemporary UK population change, and the demographics give us a fairly established methodology, a way of knowing where we are seeing different ethnic groups changing at different rates, for example, but the migration is both the biggest component of actual overall change and also the most uncertain part.
Mr Dugmore: I think it is also significant to point out that there is an element of feedback here, in that depending on the migration and young people coming in, of course, that can have a knock-on effect on fertility rates as well, so there is a further complication built in there as well.

Q8 Peter Viggers: Population estimates are, of course, critical for three main reasons: resource allocation and the determination of financial settlements, the second one is to act as a denominator for statistics on crime, conception, accidents, deaths, and so on, and the third area would be the planning of local services. How far do current population estimates meet the needs associated with their uses?
Professor Rhind: I think, Sir, if I may start on that one, everyone accepts that there are serious shortcomings in at least the most important component of the population estimates, which relates to migration. Ministers have indicated that they accept that these are not fit for purpose in a number of cases and, although they work fine in some parts of the country, they are not good enough in other parts of the country, and I think every other responsible and expert person says exactly the same. We have a major task to actually improve the migration statistics in the UK before the population estimates can be as good as we need them to be for allocating very large sums of money.

Q9 Peter Viggers: If there are inaccuracies or inadequacies, how would this impact on government and government policy?
Professor Rhind: In terms of financial allocations, some of the allocations, of course, are zero sum gains. In the case of the local authorities, if some areas are getting too much and some others are getting too little, that is not a great problem in the overall sense, but it is certainly to those local authorities that are either being under resourced or over resourced.

Q10 Peter Viggers: How useful is the statistic of “usually resident population”? The extreme example, of course, is the City of London, where a large number of people come in to work every day. How do you cope with that?
Mr Dugmore: I think this highlights the particular interests of commercial users, because when you look at the use of population statistics by large retailers, for example, the population estimates as published are not a great deal of use because of their level of geography—they are looking at local authority level rather than store catchment level, or anything like that—and so a lot of the big retailers would tend to go back to the Census because that gives them geographical detail. The two other elements are the fact that the mid-year estimate for resident population is only people here for more than 12 months and there is a lot of interest in short-term migrant flows and people from Eastern Europe as to the numbers of those coming in and out, and, as you say, the workplace is another definition of great importance, and one only has to look around Westminster to see what impact this sort of thing has on the retail world of people opening coffee shops or in Boots in Victoria Street, and so on. They are overwhelmingly interested in the numbers of workers in an area at lunchtime rather than the resident population.

Q11 John Thurso: Can I return to the devolved issue? How does the quality and range of the population statistics in England and Wales compare with that available in Scotland?
Professor Martin: I think at the broad level, the information which we have is broadly comparable across the UK because we are dealing with similar systems which are strongly related and there is a lot of cross-working between the statistical agencies in the different parts of the UK. Nevertheless, there are differences which seem quite subtle which play out in differences in detail and differences in methodology which are available. For example, we saw in 2001 different approaches to statistical disclosure control (which is the protection of confidentiality in the statistics by a modification of data) used differently in different parts of the UK—that has an impact—and there are also some the differences in the way the information is reported—the timing of mid-year estimates in Scotland is different to England and Wales—which make it quite difficult. Academic and commercial organisations mostly have an interest in the whole of the UK, rather than the local government interested in one place. I think it would also be true to say that in some senses there are statistical outputs which are important when dealing with population. For example, in Scotland and Northern Ireland there are new longitudinal surveys...
which have been possible because of a very joined-up approach to different government departments working together with the statistical agencies, and in some ways they are leading England and Wales.

Q12 John Thurso: So there is Scottish best practice that can be disseminated within the rest of the United Kingdom.

Professor Martin: Maybe.

Professor Rhind: Perhaps just two other points. For good reasons, the nature of the Census data collected in the different parts of the UK differs somewhat. Some of the questions are different in Scotland, perhaps reflecting household tenure differences and so on, but there are also some mechanical aspects underpinning that. For example, an address database is a necessary condition for running a census, and the situation for that is somewhat different, say, from Northern Ireland to England and Wales. Even if the core is relatively consistent, there are many things, some by design, some by accident, which differ around that core.

Q13 John Thurso: I know that the Statistics Commission has given a pretty high priority to ensuring that there is a good quality of UK-wide statistics, and the idea should be that there is the UK statistics and then the devolved administrations can take out further what they want. I also know there has been a new memorandum of understanding between the various persons responsible. Do you feel now that enough has been done, obviously within the bounds of being reasonable, or do you think there are gaps that need to be addressed?

Professor Rhind: There are some variations. The Scottish pilot was a year earlier, I think, than the England and Wales one was going to be. In principle, if the experience from that feeds into the England and Wales one, it is actually rather helpful. Most recently, there has been some change, in that I think the procurement of certain services is going to be done separately in Scotland from England and Wales; so one has some concerns about these variations, but I think many organisations are pressing for the greatest possible consistency across the piece and will continue to do so.

Mr Dugmore: Can I add to that? I think that there is a feeling that probably some attention is now being given to the issue but not enough, and it needs to be relentless as well, because at the moment we are looking at the choice of questions for the 2011 Census, and, obviously, that is a matter of the extent to which things are comparable across the countries, but even if the questions have much in common, when it comes down to users getting hold of the outputs, if different tables are generated and they are called different things, there can be fairly trivial, practical issues in actually getting hold of comparable data and putting it together and there is no umbrella organisation that says, “Here is a set of data, country by country, all of which is compatible and easy to use.”

Q14 John Thurso: How would you like to see that resolved? What would you need to do?

Mr Dugmore: I think there would be a case for some sort of central unit to actually oversee this. Otherwise, I think if it is left to each of the individual offices, then they will each do their own thing. In theory, a lot of it can be put together, but it will not happen and that will mean that usage of the data will be much less than it might otherwise be.

Q15 John Thurso: You lead me in to the Scotland Act, which is somewhere we do not want to go today. Let me go from the devolved on to the international stage. The Committee visited Sweden, and one of the points that we were told was that the Swedish population register was updated on a daily basis. Is there any case for moving to a system that could be updated more regularly here in the UK?

Professor Rhind: Absolutely. Given that we know that migration data and, indeed, population census data in certain respects is not fit for all the purposes we require, it is appropriate to look around to see what other people are doing. The Statistics Commission has recently toured parts of Scandinavia and Europe and also been to the USA, where the approaches are different. I think we concluded that the traditional census, of which in some ways the British one is the most traditional of all now given what has been happening elsewhere, has almost had its day. We argued very strongly that we should explore other models and we should explore them now, and I am delighted to see in the submission to you that the ONS are proposing a study, starting next year, to look at that. We think that there is probably no better solution than to actually run something based primarily upon administrative statistics, administrative data sources, with information coming from ports about emigration and immigration, and a whole variety of other administrative data sources used to triangulate where people are and where they are moving to. It is certainly made to work extremely effectively in the Scandinavian and Netherlands and other contexts. It is inexpensive once you have got the databases, it is very up-to-date—literally you can detail every day, if you wish to—and the linkage between population data, households, properties and also businesses gives a range of outputs that we cannot possibly match, and so there is a great deal of attraction in having something of this sort, and the Statistics Commission have suggested that we use the 2011 Census as an opportunity to use existing administrative data sources to run in parallel, if you like, an experiment to see just how the two would stack up, recognising that we need other administrative data sources as well. I hope that will happen. There are some disadvantages; there are some difficulties. The data-sharing culture in British government departments is perhaps not as good as we need it; clearly there are some confidentiality constraints, especially in the view of recent events, which we would need to get over. In Scandinavia this is taken for granted, but there is clearly a different culture there. Altogether, I think there is every possible reason to believe that we could move, over a period of time, to a situation where administrative data sources were the main source, supplemented by
smaller surveys, rather than having a £500 million census every ten years, which is a huge logistical operation, which is risky in certain regards, which is clearly expensive and which produces data some time after everyone would like to have it.

Q16 John Thurso: Can I quickly ask each of you to what extent the problems and bad experiences of 2001 have contributed to the public’s loss of confidence in official statistics? Would you like to comment?

Professor Rhind: It is geographically variable. The 2001 Census, so far as we were able to ascertain, performed pretty well in many parts of the country. This was, of course, before the most recent flush of short-term migration, but we know that there were problems in inner urban areas even though greater resources were allocated to those. I think there is no question that some local authorities have grave suspicion about the population statistics in their areas, for better or worse; so I think it is variable. It will have contributed in those areas significantly to mistrust.

Professor Martin: I think that is very true, and there are specific issues. For example, you may recall that there was a question about the Welsh identity, there were various organisations who have used the Census, or the opportunity of the Census, in order to form particular views about group identities and group prevalence, and to the extent to which that happens, there is process of attrition against the solidarity of the published result and so the Census is partly suffering from that and partly contributes to it. I guess commentators internationally would also say in some ways that the Census is only the same as other sources of public confidence in government, which we see in many ways under attack, and it is not just the technicalities of the Census which produce that, the Census in some way suffers from it too, and 2001 may have had much the same final result even if it had been technically different.

Q17 John Thurso: What about the users?

Mr Dugmore: Yes, I think from a user viewpoint we ought to get them more upbeat about this in that certainly in the commercial world (who are seeking information for small areas to make decisions) the Census is still very heavily used and there is very little adverse comment about it. There might be an awareness that if you are seeking to make decisions in Central Manchester or Westminster you might need to be a little careful, but when it comes down to comparing areas across the United Kingdom as to where we open our next 20 stores, and so on, you are straight back to the Census again and I do not think that its reputation is much knocked at all amongst users. To some extent, I think there is a danger of those who are technical specialists tending to concentrate on those things that went somewhat wrong—you know, the glass is three or 4% empty rather than 90% full—but as far as the decision-making is concerned, the Census is still very important, even seven years down the line.

Professor Rhind: May I add to that, Chairman? I think there is some evidence that commercial sector users (who are, of course, very important) take a slightly different view to some other users. If you are allocating large sums of money through the public purse, you would want to be rather careful about this. Many of the commercial decisions are made rather quickly and people would recognise that they are made on the best available evidence and just get on and do it.

Chairman: Certainly we have had an extraordinary response to the call for written evidence from local authorities and those who are at either end of the public spending allocation process.

Q18 Mr Dunne: I would like to pursue that a little bit further. As MPs we are acutely aware of how frequently our own electorate changes in various different aspects, and in my own case over 5% a year appears to be the change in the Electoral Roll. So, over a 10-year period between censuses, theoretically, 50% of the population could have moved. Do any of you have a sense for the average length of time that people stay in the same house?

Professor Rhind: We did have some figures recently about mortgages which showed a lengthening period for staying in the same place before a new person mortgaged it. As I recall—I think we will have to look at this—the average longevity used to be about seven years. I think it is now about ten, or something of that sort.

Q19 Mr Dunne: As a result of price barriers?

Professor Rhind: I think a multiplicity of factors.

Q20 Mr Dunne: Professor Rhind, you have touched on some of this in your responses to John Thurso, but perhaps, Professor Martin, you could elaborate. You have indicated that an increased frequency of census would be useful. Are you advocating a five-year census or a rolling census along the lines of what Professor Rhind was talking about in some other countries?

Professor Martin: I think the sense in which that discussion has gone on within the Royal Statistical Society Census community, the most important thing, is the increased frequency of the information, and that would be the priority, because for the decennial Census you know that you need information which is more up-to-date, and so do commercial users. Certainly across the sectors that is important. A more frequent census is a model which some countries have adopted, but that is not to say that you could not, if you moved to something driven from an administrative source, get to the same position. I think there is some caution in feeling that an administrative system can be switched on very quickly. When we look at the experience of other countries, there is a tension between the operational activity of running administrative registers and the statistical use of those registers, and, therefore, something which perhaps used 2011 or even 2016 to try to cross-calibrate those and thoroughly understand how we move from one system to the other would be the most
important. I do not think the five-yearly census is the magic answer, but the increased frequency of reliable information is a priority for all those users.

Q21 Mr Dunne: Indeed, and there is a distinction between counting the population as to purely the number of people and the other information that is available from the Census questionnaire, but presumably the latter could be dealt with largely on a sampling exercise. You do not have to count 100% of the population to get a broadly representative answer. So, is there a distinction that should be made between population location and the information that is available through questionnaire? Would Mr Dugmore like to answer that?

Mr Dugmore: Yes, I would still favour collecting a lot of information about individuals, because certainly in the commercial world there is interest not only in the number of people but the types of people, classifying in all sorts of way, and that leads through to market estimations, to what you are expecting people to buy, and so on and so forth, and so in that sense I agree very much with David, I think there is great deal of value to be obtained from the use of administrative files and producing small area data. The great downside with sample surveys, of course, is that it gives you very little geographical detail. Expenditure and food surveys give national and regional figures, but certainly not parliamentary constituency level figures, let alone store catchment figures.

Q22 Mr Dunne: Indeed, but a sample of a thousand people per constituency, say, would give you a very good indication. The opinion pollsters would argue that a sample of a thousand is a good representative sample and, if you were to do that and apply that to the 646 constituencies—that is counting nearly 1% of the population—you might get similar answers to counting 100% of the population. You are telling me that you would not statistically...

Mr Dugmore: I think for obtaining statistics for constituency level that would be fine, but if you are wanting information for neighbourhood renewal or store catchments, local things, then you really do need to get down to either administrative records or a precognitive census.

Q23 Mr Dunne: But administrative records do not provide you with a questionnaire level of data.

Mr Dugmore: No, quite true.

Q24 Mr Dunne: Is there anything which we have learned from other countries in terms of finding a way to do this more cheaply? You referred to the half a billion pound cost of a traditional census. Are there lessons that we can apply from elsewhere that you are aware of?

Professor Rhind: If you go back to where we were earlier, the costs of producing population figures on a daily basis in Scandinavia and some other countries is miniscule. There is a dramatic graph that the Finnish people showed us, I think, where the costs fell down dramatically from the time that they moved from having censuses. All that pre-supposes, of course, that you have these registers in existence, so there is an up-front cost, but actually in the UK we have a number of administrative data sources which, as a first approximation, I think, might be looked at for creating this: hence my suggestion of an experiment in parallel with the 2011 census.

Q25 Mr Dunne: As we were hearing, in Scotland they have already achieved a definitive address file. Did that overcome the barriers to data protection that combining a file from the ONS and local government electoral records and Post Office data would allow you to do?

Mr Dugmore: I do not think that the issue is data protection at all. If we look at the initiatives to try to produce a definitive national address file over more than ten years now, the three parties involved, the Post Office, who to some extent have put it to the side, but Ordnance Survey and then local government, each have their own files, but when it came down to merging them into a definitive file, there were issues of intellectual property, ownership of the file, and not wanting to co-operate or not wanting to see the other person win, and so there has been a stand-off there for a long time.

Q26 Mr Dunne: That could be dealt with through legislation.

Mr Dugmore: I am sure it could.

Q27 Mr Dunne: Would that be your recommendation? Is that what was required in Scotland or did they find another way of reaching agreement?

Mr Dugmore: That would be my view. As I said in my notes, I think that heads need to be banged together. It seems as though the parties involved will never come to an agreement and somebody needs to tell them to agree.

Q28 Mr Dunne: Do you agree with that, Professor Martin?

Professor Martin: Yes, we have seen many initiatives of different types and names, over a period of probably pushing towards two decades, to attempt to create a definitive address register in some form and none of them has brought us to a point where we have that. It seems ironic that we recognise that as a major issue from 2001 which has not been possible to deal with and it is still a major issue that will challenge 2011.

Q29 Mr Dunne: Without wanting to put words into your mouth, would you be recommending to this Committee that we recommend to the Government that they introduce legislation for a national address file?

Mr Dugmore: I would certainly say that. Just to give you one illustration, the ONS census test last year in Camden, they prepared two address files and then they found another 7,000 addresses which were not on either. If you think that the next census is going to rely on post-out to approach people, then you do need a definitive national file that people have got faith in.
Q30 Mr Dunne: Can I ask each of the other witnesses to respond to that question specifically about legislation and the recommendations from the Committee?

Professor Rhind: I do not think I could add anything more to what Keith has said.

Professor Martin: I would agree. I think the only comment which is worth bearing in mind is that our aspirations towards administrative registers are equally reliant on getting the address register right, and the Census is challenged by it in just the same way as the administrative record issues.

Q31 Mr Todd: Was this not a good example of a quite woeful lack of will to address a really quite critical national problem? We are talking about this from the point of view of the Census, but there are a large number of other reasons why having an accurate, unified national address register was a desirable goal.

Professor Martin: Yes.

Q32 Mr Todd: If my memory is right, Professor Rhind, you were probably involved in some of these discussions at various times.

Professor Rhind: I confess, Sir, I started the address work inside Ordnance Survey 15 years ago, or thereabouts, so I do have a history. It is extraordinary, looking from the outside now, how considerable efforts over at least a five-year period, but between the different parties, has come to nothing. The Department for Communities and Local Government have put a great deal of effort into trying to move towards—

Q33 Mr Todd: Even though two of the parties, the Ordnance Survey and local government, are, of course, under their direct remit. The Post Office is not.

Professor Rhind: Ordnance Survey is a—

Q34 Mr Todd: A trading fund?

Professor Rhind: Yes, a trading fund, which obviously has some impact, but it is not only an executive agency but a department on its own in one sense, although its ministers sit in DCLG.

Q35 Mr Todd: Surely this should not require legislation. This should be a straightforward matter of commonsense addressed by ministerial ownership of the problem.

Professor Rhind: In an ideal world.

Q36 Mr Todd: But perhaps it has never been escalated sufficiently to ministerial attention that has allocated enough priority.

Professor Rhind: Certainly I know that a number of ministers have looked at this and made some attempts to resolve the issue. I do not know why it has not been sorted, and there are different opinions on that.

Q37 Nick Ainger: Professor Rhind, given the difficulties with the national address register, is the decision of ONS to cut the number of enumerators in the 2011 Census from 71,000 in 2001 to somewhere between 45 and 50,000 the right decision?

Professor Rhind: We are not comparing exactly like for like, because there is a post-out, is there not, planned in England and Wales for the next Census, and part of the role of enumerators was to hand out, in the past, those things; but certainly there is cause for some concern, not least because I think ONS have readily accepted that the hard to enumerate areas will require more enumeration time than in 2001, and we know things are becoming increasingly difficult to enumerate for all the gated communities, for all the migrant workers who do not want to be found, and so on, so I think there is some real concern in that. It is not, however, I suspect, just the numbers. Clearly, there is an issue of training and quality, and that relates in part to how much the enumerators are paid and who you can attract. I think there was an analysis of the 2001 Census where it became clear that the amount paid to individual enumerators was such that they did not in every area attract the quality of people that they needed.

Q38 Nick Ainger: In fact that is the evidence that we have had from the ONS, that they did have a problem with recruitment and certainly retention. After training an enumerator, they then went off and got a different job and they never carried out the work of an enumerator.

Professor Rhind: There is an interesting parallel to the United States, where the United States have changed their census from a big bang event to a smaller big bang event, with a three-year rolling census thereafter where some parts of the country are done one year and some parts are done another, and one of the driving factors was to have people in continuous employment, who they could rely upon and could train up over a number of years to do this.

Q39 Nick Ainger: But that is not what we are facing between now and 2011?

Professor Rhind: No.

Q40 Nick Ainger: While the ONS tell us that they want to increase the remuneration of these enumerators, hopefully to retain them after their training, even if they do and they have 45 to 50,000 enumerators, is that a sufficient number to deal with the problems which the evidence seems to indicate have increased in relation to houses in multiple occupation and so on? Should we not be indicating to the ONS that perhaps they ought to look at this issue again, because 45 to 50,000 enumerators may not be enough to ensure not only that the information comes back but the quality of that information? I notice that in your submission comment is made on the seminar that was held following 2001 that the questionnaires that had an involvement with an enumerator were of a higher quality than those that were just posted back. Could you comment on that?

Professor Rhind: I think there is no doubt that the quality of enumerators and the presence of enumerators does help. That is absolutely clear. This
is, as always, a trade-off between costs and quality. As I understand it, the likely cost of the next census is something of the order of £500 million. The ONS, or, rather, the new Statistics Board, has been given a budget of, I think, £1.2 billion over some multi-year period and as a consequence the Census is going to be a very substantial proportion of their total expenditure; so clearly there are some trade-offs to be made in all of that and in one sense quality is part of the trade-off. There is no perfect answer. I think the real question is: how good do we want it to be and how good can we afford this to be?

Q41 Nick Ainger: But the irony, it is not an irony; perhaps it is a basic fact. John Thurso has just left, but the point is that in Scotland they are not going to be cutting back on the number of enumerators, are they?

Mr Dugmore: A very important issue here is that in the 2001 Census the forms were delivered by enumerators and then people were encouraged to post back. The proposal for 2011 by ONS is to post out, and that, I think, particularly in urban areas, is a very risky thing in that, even if we have the perfect address register, there may be multiple households living at that address. I would say that in the more difficult areas, one certainly needs to have enumerators delivering the forms, and I believe that that is going to continue in Scotland with the traditional practice, and I think it would be potentially a very dangerous move to rely on post-out of Census forms in 2011.

Professor Martin: That is very much a difference between the Scottish and the proposed England and Wales model. In a sense what ONS is proposing to do is a rational response to the set of constraints which they have, which is to recognise that in many areas you do get a good response rate from the post back and, therefore, the enumeration effort in those areas becomes very light in the 2011 model. You move to a much more flexible system where there are more enumerators who are more mobile to deal with those more difficult areas, but it is a very fine judgment which ONS is having to make against the budget, and the likelihood of retaining a certain number of enumerators at a certain wage as to where is the balance point, which is the right number of enumerators who can do address checking beforehand and stay right through the process and work in teams to follow up the difficult areas, is a very tight call, but it is a very different model to the one where Scotland are effectively doing the same as 2001, so none of these questions are thrown into stark relief. It would be true to say that Scotland does not have the number of difficult areas to the same extent which ONS is facing in England and Wales.

Q42 Nick Ainger: But, in your judgment and experience, are 45 to 50,000 enumerators sufficient to provide a decent and high quality Census in 2011?

Professor Martin: My view would be that the number of enumerators is capable of delivering, but I think the weakness is the address list. I think the address list underpins most of these issues, because if those forms do not go to the right places and then there is a big fall-out of people saying, “We have not got a form”, or we do not get a response and it has to be followed up, then that is actually where our biggest difficulty lies. With a good address list and some resolution of the addressing issues, it might work, but I think that is a big risk of the current model because we still do not have confidence in those starting out lists which are going to be where the forms are mailed to.

Mr Dugmore: I would agree with that entirely.

Professor Rhind: I have no reason to disagree.

Q43 Peter Viggers: A number of people are interested in an accurate address register, including the Electoral Commission, and the body responsible for the Electoral Commission in the House of Commons is the Speaker’s Committee, for whom I answer in the House of Commons and I declare a special interest in this area. Is there read-across between the Electoral Commission’s bid to government that there should be individual registration of voters? Currently there is registration by way of household, which the Electoral Commission thinks is not an accurate system for finding the correct number of voters or for distributing information. Is there read-across, is there discussion with the Electoral Commission about individual registration in relation to the address register?

Professor Rhind: I know of no such discussions, Sir. It would be, in one sense, a different population, because you would want all of the population, not just those over voting age, but I know of no such discussion.

Q44 Peter Viggers: I might need to institute it. Professor Martin, your study group said that all group members articulate a strong desire for outputs to be delivered as fast as possible in relation to the 2011 Census and in the most flexible possible formats, and, Professor Rhind, similarly, the Statistics Commission report says the time appears right for users with a UK-wide interest to become actively engaged in helping the Census Office implement their policy. In relation to the 2011 Census, are you satisfied with the dialogue that is taking place and the input from prospective interested bodies?

Professor Martin: I think it is accurate to say that the ONS are just at the beginning of the serious dialogue about the outputs which will come from the Census, and that is a process formally instituted in April of this year, so I think it is very early to judge that. One of the constant refrains from across the sectors of census users is that it is possible to focus entirely on the issues we have just been talking about and recognise that actually the usability of the resulting statistics depends very much on the format in which they are published and the means of delivery and the timeliness, and actually you can get focused very much on the input issues. So we are, certainly from my constituencies, optimistic that the right dialogue is about to begin but it is something which is only really being instituted in the year we are about to
start on. The census planning processes do not begin with those issues, and they will be things we will be looking to press very hard on in the coming year.

Q45 Peter Viggers: Are you satisfied that you have the mechanisms to promote this dialogue separately?

Professor Rhind: I think we still have some way to go, Sir. Can I give you two examples? The Statistics Commission has carried out a review of usability of official statistics, and what is extremely interesting in there is that it is not just about: “Does this data fit the needs that I have got?” , but it is where the data is made available, how it is described, whether it is easy to use and so on, that are the crucial elements. So, I do not think a consultation, important as it is, on the basis of what data should we be collecting is enough. It is much wider than that to influence how useful the outcome is for users. The other thing, I think, is to say that different users have some different needs. I think it has been true in the past that much of this has been driven by the needs of central government departments, for understandable reasons. Essentially it is government money, in some cases extra money put in by individual government departments, but I think the new Statistics Act makes it clear that official statistics are for the public good and for a wider audience than simply central government. I am not convinced that we have yet got to the stage where the right forms of consultation are actually in place. I know that Keith Dugmore, apart from his day job, is also the Chairman of the Statistics Users Forum, so, with your permission, Sir, he may have something useful to say about that.

Mr Dugmore: Yes. Thank you, David. I think, if we go back to the likely topics of the Census, there is a bit of a disconnect in that there was consultation 18 months ago on what users preferred, and a list of preferences came out, but that has been fairly radically reworked in recent months, we believe under pressure from central government departments, and so there is a feeling that the Census content is particularly still driven by central government departments rather than the public good more generally. I would also like to pick up the point that was made about working right down to the end as to producing results in a form that is easily useable by many people. An illustration of this takes us back to the need for UK-wide statistics and people saying, “I want to compare 100 variables across the whole of the UK and can I just get one file from somewhere, rather than having to bolt things together in different formats?” So, it is fairly end of the day, low-grade, technical stuff, but it is vital as to whether the use of the data is multiplied tenfold.

Q46 Peter Viggers: Indeed, the three census offices did not achieve a single method of disclosure in 2001 and the ONS has told us that the Registrars General have agreed a common statement on disclosure control with a view to a single method of disclosure control in 2011. How important is a single method of disclosure control? Is that the key point?

Professor Martin: It is very important. The degree of user confusion which results from doing different things to ostensibly comparable data such that they are not comparable once we have collected them and published them is highly problematic, particularly to organisations who have got a cross-UK remit, and I think that is one of the biggest issues. This is not something which is so much a major issue for any local government or health authority who have an essentially regional, district level remit, but for organisations who are trying to understand the pattern of change across the whole of the UK—it would be interesting to see how Wales and Scotland are diverging or converging in different characteristics with England—then it is critical because it makes the usability of the data different if they are very, very difficult to be certain that the results that you get are not actually not artefact of the methods which have been applied; so I would say this is a critical issue.

Q47 Peter Viggers: Do you sense that central government and other bodies involved are doing enough to ensure that there is a consistent set of standards across the three bodies?

Professor Martin: All we have at the moment is a headline statement of an agreement to work together, which was greatly welcomed, but at the moment we do not really know very much about what that will look like in terms of actual methods to be applied. The difficulty we faced in 2001 was after quite a constructive user consultation process, a series of late changes which led to those discrepancies, and if we look at the experience from 2001, it was those late changes, those divergences, which caused the greatest difficulty for users.

Q48 Mr Love: Can I turn to mid-year population estimates. To what extent is that art or science?

Professor Rhind: Yes! Sorry; that is not meant to be frivolous. It is clearly some elements of both. There are lots of judgment elements which go into the methodologies, and to some degree the situation is enhanced if you have local experience and you know that some things are better descriptors in some areas than others. This not a handle-turning exercise, it is an exercise where you need a good scientific methodology, but you also have to have awareness of what is going on elsewhere and make real judgments, as statisticians have to often make.

Mr Dugmore: I think that ONS is faced with a difficult situation here. One looks back at mid-year estimates growing through the 1990s and then the comparison with the 2001 estimates when the Census came out, and to some extent they are in a vulnerable situation because it is difficult to get the numbers right. I suppose, for me, it points to the merits of having absolute counts, whether they be from a census or whether they be from administrative systems, the actual detail that the thing has been measured, because as soon as you enter the world of estimation it is less desirable really; so it is a difficult job.
Q49 Mr Love: You mentioned the importance of local knowledge. Of course there have been many criticisms. Earlier on Westminster and Manchester were mentioned and, indeed, we had a submission from the London Borough of Newham (and I will quote from their submission), which says “Trends that are arising from the mid-year estimate in populations are quite questionable and undermine confidence in the ONS estimates.” How far do you agree with that? Are they really questionable?

Professor Rhind: There have been, of course, a great deal about those areas, and the OY... OY... OY... There have been, of course, a great deal about those areas, and the OY... OY... OY... There have been, of course, a great deal about those areas, and the OY... OY... OY... There have been, of course, a great deal about those areas, and the OY... OY... OY...

Professor Martin: There is some concern about that on the part of the then National Statistician, who took the view that all of this was a matter for the independent entity, which was ONS, and that local authorities had a vested interest in finding ways to raise their population counts. I think that view is less prevalent, and certainly there has been some closer inter-working with local authorities now. Whether that is adequate, I do not think I can judge.

Q50 Mr Love: Newham also provided figures that showed that in 2006 they had an increase of 919 in the number of dwellings in their area, yet the ONS figure showed a loss of 1,500 people. That seems counter-intuitive, if I may say so. It is not impossible, but it seems unlikely. Let me go on. You mentioned methodology. Clearly, the methodology has to be robust if you are to resist what is considered to be local authorities trying to up their figures to increase their funding. Are you confident of that methodology? Perhaps I can ask Professor Martin.

Professor Martin: I think I would have to say, no, not in all areas. The biggest issue is the one which will have become clear through this discussion, which is that the areas which are subject to greatest change are the ones in which we have the poorest intelligence. Most mid-year estimates for most local authorities are probably fairly good, and we have no real reason for feeling that the methodology used or the core information has gone far astray. Those areas in which you do have a truly dynamic population, where you do have lots of housing redevelopment, you have lots of in-migration, which may not be apparent in any of our registration systems, then we do not have a source which gives us a way of either estimating it precisely or, indeed, of validating those estimates, and so often what the local authority believes or sees on the ground may, indeed, be closest to the truth, but to mirror that through a uniformly applied methodology is extremely difficult. The problem is that the thing we want to count is the thing which is most uncertain in those areas.

Q51 Mr Love: Let me press you on that, because you mentioned Camden earlier on and the study that was carried out there, and I could mention my own area, which has seen enormous demographic change and the speed of replacement of people is intensifying. I am in an inner London constituency. What steps can we take to try and address this problem of fast-moving populations, because it is a phenomenon, in my view, frankly, that is here to stay—it is not going to go away—and how do we measure it more accurately?

Professor Martin: My starting point would be back to our discussion about using those administrative records in much more intelligent ways. They will not capture every move of all categories of people, but, for example, things like the National Health Service Register, which is based on GP registrations, had lots of work done on it over the last few years, is probably as near as we have got as a starting point to a population register, as in the one which gets closest to what you might think of as the whole population, and it reflects in imperfect ways a lot of internal migration. Again, our difficulty is that the people who move most, the people that they are most wanting to trace, are often those least likely to register, but I have not much doubt that the solution lies in integrating those administrative sources, because they are the only ones which are likely to move fast enough to capture the kinds of process we are interested in.

Q52 Mr Love: If you think there is inflation in local authorities trying to measure population, GP lists are even worse because GPs get paid on less, so they have got a very direct incentive?

Mr Dugmore: I just wanted to make the further point that the mid-year estimates, of course, are of the resident population of people here for 12 months or more, and a lot of commercial organisations, water authorities, and so on, are concerned by the fact that there are a lot of short-term migrants as well who appear underneath the radar, who are not part of the resident population, and yet there may be many thousands, tens of thousands in particular areas, and so there is a definitional issue here of who is here at any one time and one does not want to overlook those who are here for less than 12 months.

Q53 Mr Love: Can income on to the French question? Of course, the criticism that is made when Manchester or Westminster or Slough come out and say the figures are inaccurate, we need to validate these across the whole of the country. We cannot just take individual instances. What is the best way of making the revisions to the mid-year estimates that...
will satisfy ONS but will also satisfy clearly the great unhappiness there is in many local authorities that they have been short-changed in this process.

Professor Rhind: I think we would accept that the problems and the scale of the differences between real and measured populations, if there are two different things, varies across the country. It is a very different sort of matter in rural Northumberland to measure population than it is in some other areas, and there are other complications like services bases where the population is very mobile and moves in and out very quickly; students, of course, are a difficulty in all of that; so the nature of the problem varies a bit. The only way out of this, I think, is to do a series of case studies on a properly constructed basis in something of a representative sample of the areas where we think we are going to have problems, and to an extent the ONS has done that with the Camden studies and with various others. The details of those my colleagues may be more familiar with.

Q54 Mr Love: When answering that, Professor Martin, can you say whether that you think that is an area that we ought to think about in terms of our recommendations?

Professor Martin: Yes, I do. I think it is a very constructive route forward, but it has to recognise this issue that different types of places have different problems in producing answers. The point I was going to make really relates to the fact that when we put these different lists that we have, such as an address list, together, for example, with information that might come from the Health Service, and information that might come from other sources, we have to recognise that we need to be more sophisticated in terms of the definition we are using: because we tend, even in this discussion, to talk about the resident population, but we know that, in fact, people live complex lives in which they are often resident for part of the week in different households and at different addresses, and there is a tendency to want to claim those people for different purposes, which is not to say that that is an inappropriate thing to do, we have to recognise that we need more than one working definition which may sum to more than what appears to be the total number of people we have got, and that is actually a more sophisticated answer for that: so there is a local authority who is trying to see the number of properties they have got and home owners who are going to agree what that is and does not preclude us from recognising some of those people may be present for only part of the time. A lot of difficulty we have in sorting out the mess after some authorities’ difficulties in 2001, comes down to that difference of definition where people are not always present but they are partially present at an address and they may have another address as well. That causes us quite a lot of difficulty because our current frameworks do not accommodate that to any great degree at all.

Q55 Mr Love: That would certainly be a major phenomenon in Westminster, one assumes! Can I take you on finally to data sources. You have already mentioned GP lists, and indeed there are other Health Service lists. In your own submission you talked about survey data. I could tell you that my own local authority, the London Borough of Enfield, carried out an independent survey and the survey as I came in used the electoral roll, used council tax records and used school children’s records to come up with alternative figures. Which ones of those alternative data sources are valid? Can we put together a list that could be agreed across the board in a way of trying to reach a compromise figure that was more accurate locally?

Professor Rhind: I think it is perfectly possible to create a good practice guide. The problem of saying that you should always use this one is that there are geographical variations in the quality of some of those things. I think a good practice guide of those data sources you should consider, and how you should seek to take them together, would be a perfectly sensible and possible thing to do.

Professor Martin: Certainly, as Professor Rhind said earlier on, the solution lies in the integration of those sources. There is no one of them which gives us the right answer because the biases in them are systematically different, so they will under-report and over-report different categories of people, because of the nature of the way the lists are collected. There is this issue about tension between the administrative use of any kind of register and its statistical use, when we want to step back and shave off different biases. Yes, any trial towards integration of administrative registers is going to have to do exactly that, possibly via some case studies, and it is going to involve best practice. The example I would point to is that back in the early 1990s when we tried to work out who had been missed in the 1991 Census—and it was quite an extensive project which Professor Diamond, Chief Executive of the ESRC, was involved in—we produced a new set of national corrections, if you like, to the national estimates, and it used local sources. It was a methodology for using local sources with different emphases according to the nature of the local authority you are dealing with. I think the only solution that we are likely to come to is one which accommodates that, albeit updated to the contemporary data sources.

Professor Rhind: With the critical element, I think, that the judgment about what the best possible figure is has to come from the National Statistician or ONS.

Q56 Mr Love: I accept that.

Mr Dugmore: Might I just make a related point, picking up on something that David said earlier. At the time of the 2011 Census, I think it will be vital that as many of these administrative files as possible are captured for analysis to compare with the Census. That will give us a good dummy run on how pupil level records, national insurance numbers, pension records and so on compare with the Census results. Whilst David said that he thought 2011 should be the last Census, I would rather see another one in 2016 when the registers were up and running and you could compare the two and make sure they were telling the same story.
Q57 Jim Cousins: Professor Rhind, you were of the view in 2006 that our migration statistics urgently needed to be improved, but there was little sign of improvement, and they certainly could not be used as the basis of resource allocation. Is that your view now?

Professor Rhind: I think the Statistics Commission has been pointing out since 2003 that we thought the migration statistics were sufficiently imperfect that they were having a pretty serious effect in some areas. In 2006, I wrote to various ministers and set out what we thought the consequences of this were, and of course since then there has been a pan-departmental or multi-departmental study of what might be taken forward. I think Ministers have agreed publicly that they accept that the migration statistics are not good enough. I have not seen any acceptance of what we will actually do about all of this to make the situation better. I think it is absolutely clear that any solution, following what we have said before, will have to be a multi-departmental one, because the sources of information can only come from various different departments, whether it is DWP or the Home Office and so on. If I can be brief at the end of this long statement, I do not think we have moved enormously far since the Statistics Commission made those comments.

Q58 Jim Cousins: Is the difficulty we have here that we have a hard-to-count group of people and we cannot count them, or is it that our definitions are wrong and we are not even trying to count them? Is it a “cannot count” problem or is it a “do not count” problem?

Professor Rhind: First of all, there are multiple sources of difficult-to-measure people. I think there are also cases, as David Martin has already indicated, where the definitions are such that we take one snapshot, whereas with different uses we actually need multiple snapshots of the data, so I am afraid I think it is both of those things.

Q59 Jim Cousins: For example, there has been a lot of controversy about the European accession countries and people coming to live and work in the UK, but apparently we do not count them as residents of the UK until they have been here 12 months.

Professor Rhind: The international definition of a migrant, which is the basis which I think all countries use for their standard migration statistics, is resident for a year or intention to be here for a year. I should say of course that the ONS have produced some experimental statistics for short-term migrants quite recently, October or thereabouts, but that is still at an experimental stage.

Q60 Jim Cousins: You will have seen the recommendations of the inter-departmental task force on migration statistics which was set up as a result of an initiative by the Governor of the Bank of England. Are those recommendations being actually implemented and what are the key recommendations that we should look to for being the heart of the argument?

Professor Rhind: The Statistics Commission’s view on the report to which you have referred was that these were broadly in the right sorts of areas, and we urged government bodies to get on and do something about that. There have been discussions and some work between ONS, the Home Office and various other parties. I do not know, I have to confess because I do not think it is public, that there has been a great deal of progress as of yet.

Mr Dugmore: As a user of the data, I have the impression that ONS have been putting a lot of effort into wringing as much as they can out of the International Passenger Survey, but it is a small survey of not very many people, whereas with some of the administrative sources—national insurance number records and so on—there is a lot more potential there that has yet to be mined.

Q61 Jim Cousins: Professor Martin, perhaps I could follow that very point by asking you this: in your opening statement to the Committee you said that small samples were a problem. The adaptation that the Office for National Statistics has made about the use of the International Passenger Survey, which is our principal source of international migration information, has been to adjust it for the Labour Force Survey. What is your view of that, as someone who is concerned about small samples, and also of course that is correcting the imperfections of one small sample by an even smaller sample founded on a different basis?

Professor Martin: This is some of the work on experimental statistics that has just been referred to. The difficulty here is that you are pushing the methodology to the limit but fundamentally not collecting much extra concrete information. We are unlikely to be satisfied with the migration data that we get from that kind of route simply because we are using very small samples. Also we are asking people about their intentions when they arrive into the country with the International Passenger Survey, and so a long time interval then may ensue, they may not go where they said, they may change their minds once they have arrived in the country as to their intentions to stay or not. That mechanism will always be limited, even if you increase the sample size of it or you cross-reference it elsewhere. It is the route which starts to capture those people once they have arrived and connects them to other sources of information—and yet again we come back to the administrative records—that is really going to be the only route unless we systematically record all movements of all people (which we do not have a mechanism for doing) which is going to tell us about what people have actually done. That is often very different to what they state when they arrive and adjustment for other surveys is not really going to solve that problem. What we have got is an improvement, as you say it is an adjustment, but it is still on a fundamentally limited basis because we do not have a mechanism for collecting the thing we really want to know.
Q62 Jim Cousins: The Office for National Statistics have themselves set out fairly clearly the kind of people who are not contacted at all in the Labour Force Survey, or who, even if they are contacted, do not give information. Do you think that that is a proper summary of the situation and what is your view of any moves that are being made to improve the quality of the Labour Force Survey?

Professor Martin: I think it is probably a fair assessment of the survey, but it is very difficult to take a labour force survey and to use it for a purpose which is not what it fundamentally has been designed for, so again we are using methodology where it is as far as you can go with the sources we have got. The fundamental problem that the ONS have is that we do not have a data source for the thing that everybody is interested in, so however far you go with those adjustments, there will be many types of people and categories of people that you are not going to capture in that way; they are simply not recorded.

Q63 Jim Cousins: Professor Martin, we have had evidence, as my colleague Mr Love has pointed out, from local authorities like Westminster. Do you think the problems and difficulties we are talking about here—the hard-to-count population, the impact of international migration, the impact of internal migration—are general problems in our gathering of statistics or that they are particularly acute in a relatively small number of places?

Professor Martin: I am afraid the answer is both because of the nature of the geography and demographics of the country, in that those general difficulties tend to come out, to a great degree, in specific types of neighbourhood. There are many local authorities where this is not the biggest issue, but when we talk about our international migrants, we have communities which are receiving large proportions of people who come into the country and that demonstrate a big proportion of the population churn. It is in those places that all the inter-complexity of the general difficulties of the system come out, which is why in several places we have said the answer is not really related whole system-wide; it is some places receive the impacts of all these things differentially.

Professor Rhind: That said, after the accession of a number of countries into the EU recently, there is quite a lot of evidence that the destinations of some migrants is much more widespread than has been the case previously: people going to Lincolnshire for fruit-picking and so on; quite a number of people going to various parts of Scotland, which had not previously experienced much by way of migration.

Professor Martin: It is not static but it is locally specific in terms of the impact.

Mr Dugmore I think the ONS’s job has been made more difficult by the accession because at one time one would have looked to international migrants coming to London and the big cities particularly but now they are scattered all over the country. Going back to the point about trying to measure through surveys, one thing that really struck me was the use of the International Passenger Survey to pick up on short-term migrants, which gave an estimate of 16,000 in Greater London a couple of years ago, and yet in the same year there were 230,000 people registered for national insurance numbers. Admittedly, quite a few of those then moved on again, but the contrast between the two numbers was quite remarkable.

Chairman: We have some final questions on the role of the new Statistics Board. I want to preface those by congratulating on behalf of the Sub-Committee Professor Rhind on his appointment to the Board. I certainly welcome the continuity that gives us between the Commission and the Board. Mark Todd?

Q64 Mr Todd: The Royal Statistical Society Study Group indicated that the new Board should “seek to clarify and improve communications between the ONS and users . . . ” and then there is a rather cryptic (to an outsider) phrase—“rather than adding additional layers of consultation whose relationship to operational decisions is unclear to users.” It is a very polite English communication of dissatisfaction. How do you think the new Board should address this criticism? And perhaps you could add some light to exactly what is meant.

Professor Rhind: I am not sure I can add any light.

Q65 Mr Todd: Mr Dugmore probably can say something about the origin of the criticism and then you can tell us what is going to be done about it.

Professor Martin: Perhaps I should say there was a sense in the consultation, and I think you have got to bear in mind also that this is a situation where people are becoming more familiar with the role of the Board as this inquiry progresses, that ONS and the statistical agencies in Scotland and Northern Ireland have engaged in a huge amount of user consultation, but it tends to be quite topic-focused and fragmented to specific issues—consultation, but it tends to be quite topic-focused and fragmented to specific issues—consultation, consultation about a set of questions or consultation about a particular type of output and things of this sort.

Q66 Mr Todd: So very mechanical rather than about the principles of the use of data?

Professor Martin: Absolutely, and there was a concern that when users were beginning to work out how the Board might operate, that this may potentially offer yet another channel through which there would be the opportunity to respond on all kinds of technical issues and think about things which were not actually high level and strategic, whereas in fact perhaps the best outcome would be for the Board to be able to provide a more rational steer to the way in which the consultation processes themselves might be organised such that users know exactly where to go, and which kinds of issues, and perhaps to have some input in making sure that there is a completely joined-up approach.

Q67 Mr Todd: If I understand it right, users want to be involved in issues of quality and useability of data rather than necessarily exactly. “How do you think this question should be asked?”
Mr Dugmore: There are different markets here, different levels, and in some cases users really do want to get to the nitty-gritty, and there is a limited number of those who will absorb 100-page consultations and so on, but I think the ones who tend to be overlooked are those who have some short and sharp views but have not got the strength to get involved in a really long consultation. I think that as well as going into detail, the new Board ought to provide mechanisms for people, “What are your ten most important Census questions”, half an hour, to try to get in connection with people who are occasional users of data but do not spend all their waking hours plunging into it.

Q68 Mr Todd: Or use data at a high level?
Mr Dugmore: Exactly, yes.

Q69 Mr Todd: Professor Rhind, your reactions to those thoughts?
Professor Rhind: Thank you, Chairman, for your congratulations but I am afraid I cannot speak on behalf of the Board at this stage. No matter, I am sure this will be a big issue for the Board. The Statistics Commission has done a number of pieces of work which bear on this. For example, we did a study of what official statistics are actually used for. Some of them are obvious. It turned out to be surprisingly difficult to chase that down, especially in the commercial sector, but elsewhere as well. We did a study of the useability of existing official statistics by doing mystery shopper exercises. We talked to a lot of users of one sort or another who, surprisingly to me, quite often said they did not necessarily need any more statistics, they were overwhelmed by all of this, and what they wanted was some help in understanding what was there already and support and explanation of what was there. The fact that those are relatively new findings suggests that the communication between the user community and the statistics producers community is in need of some improvement, and I hope very much that the Statistics Board will take that very seriously.

Q70 Mr Todd: You referred guardedly earlier to this country having perhaps a less satisfactory mechanism for agreeing data-sharing than other countries. Would that be a priority the Board ought to address, because I think you have discovered in this process that sharing administrative data and interpreting it is a critical part of improving the quality of the data that you use?
Professor Rhind: Absolutely. Tomorrow, sir, the Statistics Commission will publish its final report, number 38 or something of the sort, which is an attempt to summarise the experience and lessons that we have had over the last eight years, with recommendations being made to the Statistics Board. One of the strong recommendations in that is exactly what you have said; we must encourage people through various mechanisms to share data, because we can get much greater added value from that where the data are all linked together. There is of course a better legislative mechanism now under the Statistics and Registration Service Act using secondary legislation. I was very struck how in the United States a similar situation pertains. Each combination of data coming from different government ministries has to be discussed and agreed and mechanisms laid out for it, but once it is done once, then it is taken as a fairly routine situation, and I hope very much the same thing can happen in the UK.

Q71 Mr Todd: But you are being very optimistic there. The culture of the UK, which I think you have hinted at a few times in answering Mr Cousins’s questions about lack of progress in addressing immigration data for example, is that people look after their own data and manage it for their own purposes, without a mind to how it may be broadly shared and the protocols under which that might be done.
Professor Rhind: I think that is true in many cases, and of course the recent disasters in terms of loss of individual data have not helped, nonsensical as those were, and with any decent processes they should never have occurred.

Q72 Mr Todd: I was going to say that should be irrelevant.
Professor Rhind: That should be irrelevant.
Mr Todd: But it can be seen as confusing the issue.

Q73 Mr Love: You indicated earlier on in a reply that we had a very traditional method of measuring the population through the Census. Some of the submissions we have received suggest that some countries are moving towards a more regular census, perhaps with lesser information on it, and some are moving entirely away from a census. Tell me what you think should happen after 2011?
Professor Rhind: To expand on what I said earlier, I think we should move towards—and I completely take the point that this is not throwing a switch and going from one to another—a situation where administrative data sources form the bulk of the information and we can produce from that small area data, supplemented by surveys as appropriate, to find the things that you cannot easily get out of administrative data sources.

Q74 Mr Love: Do you disagree, Professor Martin?
Professor Martin: I would agree absolutely with the first part. My concern is the issue of how one throws the switch, looking at the experience of other countries. I believe the Americans in 2010 will conduct a very thin census which is an attempt at least to count everybody and calibrate the results without doing a detailed survey. I would say that perhaps at the moment there is still an argument for doing that on at least one more occasion to validate the way in which we have got going with the administrative records, but I think there is a rightness about using those records as the major basis which we move to, and I would certainly agree with the major thrust of that.
Q75 Mr Love: Mr Dugmore, would the users of the data find it acceptable that we give a more accurate measure of the numbers but perhaps less detail than is contained in our current traditional Census? Would that be unhelpful to you?

Mr Dugmore: If you look across government, many of the topics of interest are covered in the administrative files—if you look at Revenue and Customs and so on and so forth—so there may be some losses there, but having the regularity and the speed would be real pluses. I think that it does need to be pushed. The risk is that it is just seen as a passive thing that in potential it could be done but nobody will get round to doing it because they get no plaudits for it and they might be taking some risks in doing new things.

Chairman: We are going to leave it there. On behalf of the Sub-Committee, can I thank the three of you for coming along this afternoon and for getting our inquiry off to such a good start.
Wednesday 23 January 2008

Members present

Mr Michael Fallon, in the Chair

Nick Ainger  Ms Sally Keeble
Mr Graham Brady  Mr Andrew Love
Jim Cousins  Mr Mark Todd
Mr Philip Dunne  Peter Viggers

Witnesses: Mr Charlie Bean, Chief Economist, and Mr Neal Hatch, Head of the Structural Economic Analysis Division within Monetary Analysis, Bank of England, Mr Christopher Kelly, Head of Macroeconomic Prospects Team, and Mr James Richardson, Head of Home and Legal Team, Her Majesty’s Treasury, gave evidence.

Q76 Chairman: Can I welcome you all to the committee and welcome Mr Bean back to the committee? Perhaps you could introduce yourselves formally for the shorthand writer please, starting with Mr Hatch.

Mr Hatch: I am Neal Hatch, Head of the Structural Economic Analysis Division within Monetary Analysis at the Bank of England.


Mr Kelly: Chris Kelly, Head of Macroeconomic Prospects, Treasury.

Mr Richardson: James Richardson, Head of the Home and Legal Team at the Treasury.

Q77 Chairman: You do not all four have to answer each question. If you try and divide it we can perhaps hear from both Treasury and Bank. How important is it to first the Bank and then the Treasury that we do have accurate estimates of the population? Charlie Bean, how high up does that rank with you?

Mr Bean: Obviously, we potentially have different interests from the Treasury, certainly from some of the Treasury’s interests. The primary need for us in regard to the population data is essentially to get a handle on the size of the available labour force, which is a key determinant of the supply potential of the economy. In terms of judging the inflationary pressure in the economy one of the key determinants is the balance between demand and supply in the labour market. It is the key input into that and also, because the supply of labour determines in part the potential supply of output, it helps determine the sustainable rate of growth of the UK economy and therefore how fast we can let demand in the economy expand.

Q78 Chairman: So why is the Treasury’s viewpoint on this different?

Mr Kelly: I am not sure that it is different, but I think we probably have a wider perspective because of the role of population statistics in our management of the public finances. If I can give our broad perspective on this, it has always seemed to me that population statistics are to household statistics what the business register is to business statistics. Lots of our statistics are based on samples and we need to gross those up, so if you do a survey of 100 companies and you know there are a thousand in the economy you need to multiply it by 10, very crudely, to get the statistic for the whole economy. On the household side we have the Labour Force Survey, which is a key survey for the purposes of providing employment, unemployment and inactivity data at the macroeconomic level as well as the detailed microeconomic data, and we need accurate population statistics for the LFS sample to be grossed up to those totals. Also, we have the Expenditure and Food Survey, which is grossed up to get estimates of household spending, and less directly the expenditure weights that are used in the Consumer Prices Index and the Retail Prices Index as the expenditure weights for compiling those inflation indices. Coming back to the original question, “extremely important!” is the answer. The context in which we use these statistics is that we do macroeconomic forecasting because we manage the public finances. We need to make assessments of the economy, we need to make assessments of the trend rate of growth. We need to assess where it is now in relation to that trend, and the momentum of the economy. We need these macroeconomic statistics, which depend on the population statistics, for those sorts of assessments. We also do long-term projections of the public finances that are published usually in long-term public finance reports at Pre-Budget Report time, and then there is an update using in a slightly different method applied at Budget time where there is an annex in the Financial Statement and Budget Reports on long-term projections. We need population projections in order to make those public finance projections and the focus of those projections is mainly on demographic factors and the pressures that those put on public spending. That is the context from a macroeconomic point of view in which we view population statistics and their importance.

Q79 Chairman: That is helpful. In October the ONS released their central projection that if past trends continue the UK population will be around 65 million by 2016. What impact does that kind of projection have on the Treasury’s planning?

Mr Kelly: That will be, as you say, the central case for the next long-term public finance report. Unfortunately, in the autumn, when those ONS projections were released, it came after the Pre-Budget Report so we did not have enough time to
take on the new projections, but I think you have to be careful here about how you interpret projections. We regard them very much as illustrative scenarios. They are not forecasts; they are based on assumptions. In some sense the assumptions are lowest common denominators, like the migration assumptions. The ONS do not make value judgments in the same way as maybe the Treasury sometimes adjusts or adapts ONS assumptions over the medium term for our trend growth projections. We make our own judgment about likely trends in migration, as we did in the Pre-Budget Report 2006 when we produced a separate paper that detailed a new migration projection in the light of latest population data, but the ONS very much make a sort of rule of thumb projection. As I say, I do not think they should be regarded as forecasts.

Q80 Chairman: They do call them projections. Mr Kelly: They call them projections, yes.

Q81 Chairman: They do not call them assumptions; they call them projections. Mr Kelly: They do, but you can argue about the terminology there, I think. I think they are quite careful in describing the basis upon which the projections are formulated, but sometimes I think they do get misinterpreted.

Q82 Chairman: And how does the Bank see these future projections in terms of future planning? Mr Bean: We do not have such a long time horizon in the future to worry about as the Treasury do for their purposes, so the issue is really for the next two or three years. Perhaps in contrast to some of the longer term public finance issues that Chris has been talking about, we are concerned about the relatively short-term evolution of the labour force, so to us things like flows in and out within the year, short-term temporary migrants, are quite important and they are things which hitherto have not been picked up particularly well in the official data on population levels.

Q83 Chairman: You told us in your November 2006 report that those increased flows in migrants affect demand in the economy. What are the key impacts, obviously, apart from the outward impact on investment spending? Mr Bean: Given our objective of controlling inflation, what matters to us is the balance between demand and supply. I talked earlier on about measuring the supply side. The question then is what population growth, including the migrants from outside, does to the demand side. That can come through a number of channels. One is through investment, which you have just mentioned. The growth of availability of labour may encourage firms to expand their capacity. However, perhaps of more importance for the time horizon that we are thinking about is the implication of consumer spending, the extent to which migrants who might be earning here actually spend here as opposed to remitting their earnings back home to their families who have stayed in Poland or wherever it might be. There is some uncertainty about those sorts of issues, although on balance we would tend to take the judgment that for most of the migrants that have been coming in from the A8 countries in recent years their net effect has been to expand supply a bit more than they do demand.

Q84 Chairman: From the Treasury’s point of view what is the impact of increased inflows of migrants on resource allocation? Mr Richardson: Departments within the spending reviews will obviously take into account potential population pressures on the services for which they are responsible, so within the Comprehensive Spending Review demographic change was one of the key themes that the spending review was framed in and departments therefore came to us with their submissions, taking those pressures into account. For example, greater population pressures within the south east were obviously a key factor behind decisions around Crossrail and one can look at a number of areas where population, either directly or indirectly, drives demand for public services and that formed part of a dialogue between the Treasury and relevant departments that led to the setting of those three-year settlements. Population projections may also affect annually managed expenditure in terms of projections for benefit numbers in particular.

Q85 Chairman: In evidence last week we had considerable doubt cast over the quality of emigration statistics, mainly on issues such as sample size and so on. Does the Bank share that concern? Mr Bean: Yes. As you know, for the last few years we have expressed concern in general about the migration statistics, not just immigration but also emigration. I think it is true to say that we have even less information on the emigration side, so the intention of the ONS to expand their coverage in trying to improve the measurement of migrant exits is something that is particularly welcome to us.

Q86 Chairman: But if the emigration statistics continue to be unreliable what is the impact on your decision-making? Mr Bean: The net consequence of uncertainty about both sides of the migrant flows, inwards and outwards, is obviously to generate more uncertainty about the potential supply capacity of the economy and about the margin of spare resources. There is always uncertainty about all economic statistics but this is one area where in recent years it is true to say there has been rather more uncertainty than there was if you go back a decade or so because of the increased importance of migration. Mr Kelly: Can I just add that from the Treasury’s perspective I would echo everything that Charlie has just said. The importance for us relates to our assessment of the amount of slack in the economy in so far as it relates to the public finances. We run a fiscal policy that aims for the public finances to be sustainable in the medium term, on a sound footing, and we judge where the public finances stand in
relation to that by an assessment of the slack in the economy. If we get that wrong we might get the setting of fiscal policy wrong.

Q87 Mr Dunne: Chairman, could I pursue your line of questioning with Mr Richardson in relation to what happens when mistakes are made in terms of resource allocation? I am thinking in particular of the underestimate of the inward migration from eastern European countries on the latest accession round. How does the Treasury seek to deal with errors and the implications of errors?

Mr Richardson: For most public expenditure we set it on a three-year horizon. Those settlements are fixed and essentially take into account the best information that we have at the time. There is always, of course, a trade-off between certainty on the one hand for decision-makers and the availability of new information on the other hand, and that three-year horizon, if you like, seeks to strike that balance. Within that period we do not adjust the allocations that departments receive, except if they face major unexpected shocks when they may have access to the reserve, but I am not aware that we have made any changes to allocations on the basis of those particular flows that you mention. For example, in the past when asylum numbers rose very rapidly, changes were made then to the allocations available to the Home Office, and to that. Quite apart from the overall number you have then got the allocations to local authorities and to health service providers, educational authorities and so on, which is to do with migration within the United Kingdom. What do you do about changes, given that at the moment these allocations are based on census data in most cases? What do you do in the Treasury in determining changes to allocations based on the changes between censuses?

Mr Richardson: The Treasury makes allocations to departments. Departments themselves then make those allocations to particular areas, so, as it were, the basis for the allocation of, say, revenue support grant or resources for primary care trusts are a matter for the relevant departments. The Treasury does not itself allocate at that level. My understanding is that those allocations are generally made on the basis of the latest available population information but these are a matter for the departments.

Q88 Mr Dunne: Mr Kelly was saying earlier that when you did the Comprehensive Spending Review and the Pre-Budget Report this last session you did not have the benefit of the projection. Can you tell us what the equivalent number to the 65 million population number you were working on in the Comprehensive Spending Review is if it is now not going to be adjusted for another three years?

Mr Richardson: I do not have that number to hand. What I would say, particularly in terms of the migration statistics, is that we did, as I said earlier, a considerable amount of analysis of the importance of demographic change for the Comprehensive Spending Review. Within that we published a document on long-term challenges which I am sure the committee will have seen, and that referred to the then available statistics, including the range of migration statistics that had been published before. The updated statistics are well within that range of migration statistics and we did refer in that document to the fact that the latest trends already seemed to be towards the upper end.

Q89 Mr Dunne: Would you be able to send us a note showing us what the specific population assumption was for each of the three years of the Comprehensive Spending Review at the time that you committed to that review compared to the numbers that might have appeared in the ONS subsequent publication?

Mr Richardson: Yes.

Mr Kelly: Again, it is not just a matter of the total size of the population; also the composition matters. The ONS have increased the assumptions, I believe, on fertility, longevity and migration. The migration assumption for the longer term has increased by about 45,000 a year, I think, but that affects not just the size of the population but also the composition and the particular factors that bear on the pressures on public spending over the long term.

Q90 Mr Dunne: Indeed, but I am just going to come to that. Quite apart from the overall number you have then got the allocations to local authorities and to health service providers, educational authorities and so on, which is to do with migration within the United Kingdom. What do you do about changes, given that at the moment these allocations are based on census data in most cases? What do you do in the Treasury in determining changes to allocations based on the changes between censuses?

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Q91 Mr Dunne: Which could be the best thing on the census data in most cases, would you expect?

Mr Richardson: Particularly where departments are making three-year allocations over the CSR period, as, for example, in the settlement for revenue support grant for these, I think they are probably using 2004 data, but individual departments will make their own choices on those. The 2004 data were the latest data that were available at the time of the decisions that have been made to date that is disaggregated to local authority level.

Q92 Mr Dunne: What 2004 data are you referring to? Is that based on the 2001 census or on some other update?

Mr Richardson: The data starts from the census but it also takes into account other data on population moves. On, for example, internal migration data is provided using changes in GP registration, and the International Passenger Survey data and the Labour Force Survey are used to estimate changes in international migration. The ONS could give you full details on how they do these estimates, but essentially they use a range of sources to estimate changes in population in a small area on a more frequent basis than just the 10-year census.

Q93 Jim Cousins: Do you think it would be desirable to have more up-to-date information and have the Treasury been coming up with suggestions as to how this could be achieved?

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Mr Richardson: It is always desirable in principle to have more up-to-date information for these allocations. I do not think anyone would contest that. Obviously, there is a question about what is practical and what is value for money in terms of making that information more up to date, but in principle one would always prefer to have more up-to-date information. There was an interdepartmental task force that looked at improving the statistics and the ONS are taking forward a programme of improving those statistics. Some improvements have happened already, some are due to happen. Again, they would be better able to give you chapter and verse on that but there are a number of improvements in the pipeline because this is a set of statistics to which a lot of attention has been paid recently.

Q94 Mr Dunne: Particularly as a result of the Comprehensive Spending Review, if I may say so, and, given that we are towards the end of a 10-year census period (or at least that is covered by the Comprehensive Spending Review), the impact is becoming quite significant now on individual local authorities, from whom we will be hearing from shortly and on PCTs where the population has shifted quite significantly and the system that we have at the moment is not adequate, I would put to you. I am slightly surprised to hear that you are leaving this decision to local departments and are not taking a more proactive stance in the Treasury in trying to get more accurate base data.

Mr Kelly: Just going back to the previous point you made, at the whole economy level, I do not really think that we can complain a lot about the timeliness of the data. It is the reliability of the data that is important, but the ONS have moved in recent years to producing quarterly estimates, not just the mid-year estimates. As I say, there have been material improvements in timeliness at the whole economy level. That is not to say that at the local level or regional level that is so. As regards what we are doing in the dialogue with the ONS, we have been quite active in constructively encouraging them to make progress on improving the population statistics. If you go back 15 years—I have worked on the macroeconomic side in the Treasury for a long time now—and we never used to talk about population statistics. There have been some periods over recent years when we have done very little else but talk about population statistics and how to interpret them and what they might mean in terms of their implications for other statistics, so they have really come high up the agenda. The ONS had a consultation on priorities that they started in the autumn and also the spending settlement for the ONS allocated money for improvements in migration statistics as a top priority.

Q95 Mr Dunne: But is it not the fact that the interest has risen as a consequence of greater sophistication in the allocation of resources across government, so it increasingly follows the patient or the pupil on an individual account basis and that is a relatively recent innovation and therefore there is much more importance in getting statistics right?

Mr Kelly: I am sure that is one of the factors but I was talking from a macroeconomic point of view, so it is not just resource allocation.

Q96 Mr Dunne: May I put a final question to Mr Bean? What is the effect of inaccuracies as far as the Bank is concerned in the use of statistics from your point of view?

Mr Bean: As I said in an earlier answer, virtually all the economic statistics that we deal with are imperfect measures of the underlying reality, so it is something that we take for granted in some sense in the way we work. We are always taking judgments on what is going on, extrapolated from a range of statistics, so that, for instance, in the context of this particular issue we do not just rely on the ONS’s estimates of the population; we also look at other information. For instance, we use things like the Civil Aviation Authority data on the number of people coming in and out of the country to help us get a handle on exactly what is happening to the population over the course of the year. And we use National Insurance numbers and the Worker Registration Scheme to try and judge where the risks might lie to the ONS’s estimates with respect to things like immigration from the accession countries. At the end of the day all we can really do is end up with some idea about the range of possibilities. When it comes to taking the policy decisions that go with that we have to be cognisant of the risk that the numbers that might be in our central projection are wrong. That is part of the reason why we have fans around our projections, not only for the future but for the past as well.

Q97 Mr Brady: If I may ask a quick question to the witness from the Treasury, accepting that you would prefer projections to be completely accurate, in terms of controlling the growth of public expenditure would it be fair to say that it would be more difficult if the projections were wrong because they overestimated the population or they underestimated it?

Mr Kelly: I am not sure whether there is a straightforward answer to that question because, of course, people pay taxes so it affects both sides. More people mean higher demand for public services but there is also a wider tax revenue base. I think it would probably depend a lot on composition: its not just size. There may be areas where size itself is important. Clearly, if you had a small island with a strictly limited amount of land and you kept on piling things on to it then there would be certain supply constraints that you would run up against.

Q98 Mr Brady: Is it not true that by and large people pay taxes and are required to pay taxes even if it has not been planned by the Treasury that they should be earning money in this country, whereas public expenditure is planned largely in advance and the allocations are made in advance?
**Mr Kelly:** Over a three-year horizon, yes.

**Q99 Peter Viggers:** The system and the statistics are not the same across the whole of the United Kingdom, of course, because Northern Ireland has its own agency and Scotland has its own system. The Statistics Commission has tried to draw this together by saying that we need a census which has “a UK comparability at aggregate level but at a lower level is able to accommodate local differences”. That is obviously an ideal. Is that what we have got?

**Mr Bean:** I should say as background that Neil is the real expert in the Bank on labour market data. It is his team that deals with it.

**Q100 Chairman:** Let us hear from him then.

**Mr Hatch:** Let me try and have a crack at that one.

In terms of our analysis, most of it is done at the aggregate, macroeconomic level, so most of our focus is on UK data as a whole. In that sense, of course, we do not drill down into the differences between different regions and countries in the statistics but, of course, yes, when we are looking at aggregate data we would very much want the underlying micro data to be consistent if at all possible. As I say, as a whole we tend to focus on the UK population estimates. That feeds into our overall assessment of supply and demand in the UK as a whole.

**Q101 Chairman:** And the Treasury?

**Mr Kelly:** I think you will get a far better informed view on that question from the Office for National Statistics but as far as I am aware there are not any what you might call material differences in practice between the different countries of the UK in so far as they affect the aggregate statistics. I am not aware of any fundamental differences but I am aware that there are nuances.

**Q102 Peter Viggers:** You do not sense that these differences cause you a difficulty in your comparisons?

**Mr Kelly:** No.

**Q103 Peter Viggers:** The Scotland Record Office has decided to move to a more distinctively Scottish system of conducting the next census. Are you aware of that and is this causing you any concern?

**Mr Kelly:** I am aware of things like the number of enumerators they are going to be using in the census but I am only aware of that incidentally. I am not well informed on that sort of issue.

**Q104 Peter Viggers:** So you feel satisfied that although we have the four separate systems you have the coherent united statistics that you need?

**Mr Kelly:** I am not aware that it leads to any problems for us.

**Q105 Nick Ainger:** The European Commission conducted a survey in the spring of last year in which it asked the public whether they trusted official statistics. Sweden, Finland and Holland were in the top five. Britain was number 27 out of 27. When we visited Sweden we were told that their system basically allows them to quantify the number of people in Sweden at any one time, particularly on a daily basis. Their registers are updated in that way. From the responses that you have given to Mr Dunne would it not be better if we moved to a system similar to the Nordic system, which clearly has full public support and confidence but also is accurate?

**Mr Bean:** The one thing I would question is whether they really know that it is accurate in the sense of being 100% accurate. In all statistics there is a margin of error, but what they do have is clearly a system which generates pretty good information, essentially because it is using some sort of administrative information. From the responses that you would very much like to see the use of whatever information is available, from electoral rolls or whatever, to try to improve the data that is available. And, of course, with respect to the migration question, which is where a lot of the uncertainty from our perspective comes from at the moment, the E-borders project will take some years before it comes on stream. But when it does come on stream, that will provide a very much better estimate of the number of people in the country at any one time.

**Q106 Nick Ainger:** But in your responses so far you have constantly used the terms “estimates” and “assessments” and so on. I do not think our Swedish colleagues were trying to pull the wool over our eyes. They were quite insistent that their system was accurate, literally on a daily basis, and they claimed that they could tell at any one time how many people were in Sweden, how many had left that day, how many had come in, how many had moved within Sweden as well, by using this system of registers. Surely, if we want to have accurate information on which to base policy decisions, should we not be moving in that direction, and, as the Statistics Commission said, they believe that the 2011 census should be the last one in the traditional sense. Would you agree with that?

**Mr Bean:** You have to believe that the registration system that you have is accurate at picking up everybody. I would dispute that you can have something that you can be sure is 100% accurate and you have got it to within one person. It may be much better than what we have at the moment and, as I say, given that we are an island, in principle you ought to be able to measure all of the people coming in and out. We have got pretty good measurements of births and deaths. You should therefore be able to measure the population pretty accurately if you have good registration of the number of people moving in and moving out every day, which the E-borders project, as I understand, will give us in due course.

**Mr Hatch:** It has also been mentioned earlier that we look at the Civil Aviation Authority and port data just to look at the gross flows into and out of the UK. Of course, that does not tell us what people are doing, whether they are visitors, here for business or migrants, but at least it gives us a handle on the total number of people coming into the UK, and, of course, it is that data that the ONS themselves use to benchmark the IPS surveys.
Q107 Nick Ainger: Do you want to respond particularly on the Statistics Commission view that 2011 should be our last traditional census and we should be looking to other more accurate ways of getting the information?

Mr Kelly: Just quickly on Sweden, it does not surprise me that the Swedes claim that their system is accurate. It would not surprise me if it was indeed quite accurate. Sweden is quite a compliant society, I would say, more so than a lot of other countries. Just having a population register does not necessarily mean it is going to be accurate. It depends on how people react to that, whether they comply with the arrangements that are in place. You cannot necessarily just transplant a population register from one country to another and expect it to produce the same degree of reliability. Anyway, we do have quite a lot of population registers in this country, albeit not comprehensive ones. I think the ONS is very keen to exploit this data but I think they had the experience with the last census whereby they had to compile a register of addresses and they use different sources and they found they did not get the same answers, so they had to try and come up with their own register to give them the best possible information. But there clearly is quite a long way to go in developing the equivalent of a population register for the UK. I think we have to start from where we are in terms of improvements. If we had a population register and it was thought to be reasonably reliable then I think most of us would agree that that would certainly be a source that we would want to exploit, but we do not start from that position.

Q108 Nick Ainger: But the Statistics Commission’s view, which is completely objective, is that 2011 should be the last traditional census, as they describe it, and that planning should now start at the top of government on what is going to replace it to give you more accurate, up-to-date information. Has anybody taken that view? In other words, what is going to happen in 2021? Has anybody made a decision about whether we are going to have a traditional census in 2021 and, if not, has anybody started planning on the replacement of that information it potentially liberates resources and complies with the arrangements that are in place. You are aware, are well sighted on systems in other countries.

Mr Kelly: And not trying to perpetuate ours. I think it is a fair point, that lots of other countries do have population registers, and I would be surprised if it was not true that the population statistics were regarded as more reliable in those countries than they are here. We know we have a particular problem with migration statistics. Everyone who knows anything about this accepts that and that something is being done about it. Coming back to what I said earlier, I think we have to start from where we are. We have got quite a lot of ground to make up. The ONS, as far as I am aware, are well sighted on systems in other countries.

Q109 Nick Ainger: Perhaps this is a question for them, but are you aware of any work that they have done looking at international comparator countries about the way that they produce their population statistics, because clearly there is a big difference certainly between Scandinavia and this country and also between the US, Australia and New Zealand and so on? Many other countries use different methods and it would appear that the public have confidence in the official statistics and also, presumably, policy-makers also have confidence that they are dealing with accurate information. We do not appear to have got that position in this country. Surely we should be looking at their models and not trying to perpetuate ours.

Mr Kelly: I think it is a fair point, that lots of other countries do have population registers, and I would be surprised if it was not true that the population statistics were regarded as more reliable in those countries than they are here. We know we have a particular problem with migration statistics. Everyone who knows anything about this accepts that and that something is being done about it. Coming back to what I said earlier, I think we have to start from where we are. We have got quite a lot of ground to make up. The ONS, as far as I am aware, are well sighted on systems in other countries.

Q110 Nick Ainger: From your perspective would you be encouraging the ONS to start seriously now to examine a replacement for the traditional census, look at comparator countries? Mr Bean, would you prefer to have the information that you can get in the United States or Scandinavia have?

Mr Bean: It would certainly be helpful for us to have more accurate information without any doubt. One of the reasons those countries can get good estimates is that they have good records at the border, so for anybody going into Australia, for instance, it is all logged. I would not quite say it is the same with the US. The numbers there are not so accurate.

Q111 Nick Ainger: They have got a leaky border at one point.

Mr Bean: There are leaks across the borders, particularly the Mexican border. Nevertheless, they have better information than we have. We would certainly be pleased to see that, and it should be said that if the ONS could find alternative ways of getting that information it potentially liberates resources which are currently tied up with the census to do other things, such as measuring other parts of economic activity or population characteristics more accurately than is currently the case. It certainly seems to me sensible to be thinking about alternative ways of providing estimates which are more efficient and more accurate.

Q112 Nick Ainger: Turning to the questions in the census, we have received evidence that more questions should be asked in the census which will make it a four-page document rather than a three-page document, though in Wales it will be an eight-page document. What should we do on whether that request for additional questions should be accommodated and we move to a four-page document?

Mr Kelly: As far as I am aware there is not that much evidence that four pages as opposed to three would lead to a material effect on response rates, although...
I have to admit that the available evidence is not that convincing. For what it is worth, the ONS pilot suggested that there may not be any effect on response rates to the census, so the issue is one about the actual information and the value of that against the additional cost. An additional page would be quite expensive, I think.

Q113 Nick Ainger: An additional £20 million, I think is the estimate, out of a total cost of £500 million. I have seen numbers of that order.

Mr Kelly: As far as the Treasury is concerned we are extremely keen that there is the question in there about when people enter the country, which was not in the last census nor any previous census, and I think it is agreed that that will be on page 3. I think there is another question that relates to migration. This affects the local estimates, I think, about other residences, so we are pretty keen on those questions. There are a number of other questions, the so-called fourth page questions, I think, where we do not have a firm view. Not being direct customers for those questions, I think there are issues about whether such information could be collected by sample. There are some interesting questions on that. If you have got a population total you can use samples to get some of the information. I do not have a firm view on this fourth page question, but we do attach priority to the census form including this extra migration information.

Q114 Chairman: We took evidence from Statistics Canada. You might like to know that Statistics Canada charged other departments that wished to add an additional question the cost of adding that question.

Mr Kelly: There is the issue of funding for an additional page, which is under active consideration, but it would lead to cross-departmental funding.

Q115 Mr Love: The Treasury was not that enthusiastic about a fourth page. Can I just ask whether the Bank has any enthusiasm for the additional information and is that information that you would find of great use?

Mr Bean: We would like to see, as the Treasury would, the question on the month and year of entry into the UK added. That would, we think, provide valuable information that would help to provide a cross-check on migration estimates. That to us would be particularly useful. There is a whole raft of other questions that various other users want to put in. They are not ones that are of particular value to us but that is not to say that they may not be worth putting in. This particular one relating to the month and year of entry we would support. We have told the ONS that.

Q116 Mr Love: Can I ask the question a slightly different way round? If you compare it to the £20 million cost do you think there are alternative ways of collecting the information that do not require a census but would provide just as accurate information? In other words, could we look to international best practice to see what other ways we could do it?

Mr Bean: The natural alternative would simply be to carry it out on a sample, say, within the Labour Force Survey. The argument for doing it in the census is that you get a much bigger sample, and obviously much more precise estimates, and also you can do cuts by region and age and all sorts of things like that. It is not something where you would carry out a census just to find out that bit of information but, since the census is being carried out, it is a natural marginal addition in our view.

Q117 Mr Love: Can I return to the subject of mid-year estimates? It was said earlier on as far as national population figures are concerned that they are relatively timely, I understand, in that we are getting them on a quarterly basis as well as half-yearly, but there was some question mark about their reliability. Going back to the question we have just been talking about, not national population statistics but lower level statistics, there has been concern about that. How does the Bank feel about that? Do you make great use of those data subsets and, if you do, is there any concern about their reliability?

Mr Bean: We make some use of them at the lower level because it is useful for us to have some information about the distribution of the labour force by age, gender and ethnicity by region, because all of those sorts of things may affect variables like participation rates, and at the end of the day we want to map from the number of people in the country to the number of people who are effectively looking for work. Having lower-level information is useful to us, but it is not quite so critical as the big aggregate number, if you like.

Mr Hatch: I might just add that we tend to use the LFS micro data for that, as I think we mentioned earlier, but the issue there is grossing up to the population as a whole.

Q118 Mr Love: I gather also that there is an issue about returns, whether people who have recently migrated to this country will respond to it.

Mr Bean: Absolutely, yes.

Q119 Mr Love: The Economic and Social Research Council was somewhat concerned that mid-year estimates have to rely on census data for all sorts of reasons, but that census data soon becomes out of date, especially at the lower level. Is that a concern? How much do you rely on those subsets or do you just ignore most of that?

Mr Hatch: Again, I come back to the fact that we tend to focus on the aggregates, and I mentioned the Civil Aviation Authority and port data, which we do aggregate and compare to previous censuses just to see a time series of how they are tracking and then publish those data in our inflation report. We tend to use that aggregate rather than a disaggregate level.
Q120 Mr Love: In a moment or two we are going to have Westminster City Council in front of us. Earlier on, Mr Kelly, I questioned you about the problems of being able to accurately measure migration. Their concern particularly, and perhaps they are the most extreme example, is that the figures for population do not take into account the significant migration that there is into Westminster and as a result they are losing. I think their estimate from their written evidence is, £18 million, and that has to take into account the damping that is used to limit the losses they make. How much sympathy does the Treasury have for the arguments that Westminster, and indeed other councils but perhaps Westminster more than others, are putting forward?

Mr Richardson: There is obviously an issue with any allocation formula where the data on which those allocations are made is imperfect. I do not know where Westminster get their figures from of how much they think they are losing out, but in a sense the point is that if there were a better set of data to put into the allocation formula then I am sure that the DCLG would wish to use those data for their allocations. So essentially Westminster are no doubt making a set of estimates on some other basis, but that other basis is almost certainly even less accurate than the basis that underpins the allocations. So they are pointing to a problem that we would accept exists, that, particularly in areas that have a high number of hard-to-count people, it is hard to count the population accurately. However, in that saying the gap is X or Y, they are implicitly asserting that they can count it better, and I think we would question whether it is the case that they have a better methodology than the ONS for counting and are therefore able accurately to quantify the size of the gap. Yes, there is an issue, but I think it is very difficult to say that any particular council is losing this or that amount of money.

Q121 Mr Love: I understand that, and we will undoubtedly be questioning Westminster on how they reach their alternative figure, but part of their argument is that the figures that the ONS reaches are counter-intuitive, and if I can give you some examples, Ken Livingstone goes round, and has been doing for a number of years, saying that over a period the London population is going to increase by the same amount as the City of Leeds, yet, according to the ONS, between 2001 and 2005 London had a reduction in population of 60,000 people. That is counter-intuitive. In Westminster they had a reduction in migrant allocation of 15,500 people. That is counter-intuitive, so while I accept that Westminster may not have a better method I am worried about the way in which it is done at the moment. It does not seem to add up.

Mr Richardson: I think all commentators would agree that it would be better if we could improve those statistics. As we have said, the ONS already have a programme in place to improve those statistics. I am not aware that people are saying that the things the ONS are proposing to do are the wrong things, but a lot of the data that is put forward by local authorities that I have seen, and these are obviously ultimately matters for the Department of Communities and Local Government, is essentially outflow data, registrations of one form or another, and most of those registers contain very poor (if any) outflow data. So you are comparing one side of the equation without the other, and almost inevitably statistics on that basis will have a considerable upward bias, so the fact that those statistics tend to show populations rising compared with statistics from the ONS, it does not really tell us anything in itself of any great value. You would expect that simply from the way that those statistics are calculated.

Mr Kelly: It is not obviously counter-intuitive to me that the population of London should decline a bit. It is an increasingly congested area, an increasingly expensive area. When people get richer they might go and live outside London. They might still work here but the population is counted on this “usual residence” basis. I think those are factors that need to be taken into account in assessing how plausible the numbers are.

Q122 Ms Keeble: There is one question I want to come back on. Mr Richardson, I was previously a council leader in London and I have also heard in my own area of a health authority challenging these numbers. Would you not accept that where a local authority has, for example, tenancy lists so that they know who is living in buildings and they have accurate records on that, and the health authority, for example, will have children attending for antenatal clinic or births and so on, they are able not to use people registered for things but people who they know are there and who they have seen and that that is important in taking into account any very difficult areas?

Mr Richardson: There is a question about whether this kind of data should be taken into account. That is precisely part of what the ONS are looking at, whether better use can be made of the various sources of administrative data that are available in order to improve the statistics. Should we use data that is available? Again, I do not think anyone would dispute that, but are those data sets necessarily better than the existing statistics that are available? I am not sure that there are any data sets out there, and again I have not seen anyone who is claiming that any particular set of data is overall better than the data from the ONS. Tenancies may tell you the number of people who live in social housing but they may not provide accurate information on the number of people who are owner-occupiers, for example, or indeed potentially getting private rented housing. You may have good information on a subsection of the child population but that does not necessarily tell you about migration of working age childless people, so those data provide partial information. I do not think anyone would disagree that we should try and use the various sources that are available to improve those statistics, but are those data sufficiently accurate to substitute for the existing data? I do not think they are.
Q123 Jim Cousins: Mr Richardson, following up precisely that point, do you acknowledge that some areas have very large numbers of people who are hard to count, whose turnover rates are much higher and who are likely to be volatile in terms of long-distance migration, and that some areas do not?

Mr Richardson: Yes, absolutely, urban areas, particularly London, but some other areas clearly have larger numbers of hard-to-count people than some other areas in the country.

Q124 Jim Cousins: And so therefore inevitably the population estimates, and particularly the population projections based on those estimates, are likely to vary in their accuracy in that the areas which are hard to count have high turnover and high volatility and their estimates of future population projections are likely to have a much higher margin of error than areas which do not have those characteristics.

Mr Richardson: Yes, they are certainly likely to have a higher margin of error. I cannot say whether it would be much higher or not. ONS may be able to answer that.

Q125 Jim Cousins: Those are the figures we start with. That being the case, do you think it is sensible for departments of government to use those figures which have got those inbuilt defects in such a way that we will be allocating resources to deal with social care, for example, in 2010–11 on the basis of a population estimate from 2004 projected onto 2008–09? Do you think that is an entirely sensible way of using figures which have got those inbuilt defects?

Mr Richardson: In a sense, if you are going to allocate resources out, you have to use the best available data that you have.

Q126 Jim Cousins: But, if you know that there are systematic, structural softnesses in the data between different areas, to use them like that is a bit high risk, is it not?

Mr Richardson: I am not sure I would completely agree. All data contains a margin of error. To take your example on social care, the costs of social care are in part driven by population factors. There is a great deal of uncertainty about long term trends, in morbidity in particular, but there are other uncertainties that are not necessarily affected by population numbers that also need to be taken into account. A small number of very high cost cases, for example, adults with multiple disabilities, can have a significant effect on the pressures on the social services budget, and that is never going to show up in the population data. Essentially allocations involve a degree of averaging. They provide a basis for authorities themselves to then make their allocation decisions. They are never going to be a kind of completely perfect assessment of precisely what any authority ought to spend, and unless central government is going to try and tell local government exactly what it must do in every circumstance they could not possibly provide that basis. They are a means of allocating resources that inherently involve a degree of averaging, not just on population but also on other factors, and some of those factors will weigh in opposite directions in any particular case. If you want to argue against it the question is always, what would you do instead? It would be possible, clearly, to allocate the funding for shorter periods and use more up-to-date data, but that would then mean less certainty in planning. It would be very interesting to know whether councils would prefer that but it is certainly not my understanding of their position. Again, that is obviously a matter ultimately for the Department of Communities and Local Government but there are always these choices to be made between certainty and up-to-dateness.

Q127 Jim Cousins: I understand that, but let us be clear about this, that the way that government has chosen to use data that it knows is very variable in quality because of the characteristics of different neighbourhoods and areas, means that it has used historic data projected forward for very long periods of time, has it not?

Mr Richardson: We allocate over a three-year period. I do not think that is a very long period of time. We use the best available data that we have at the time we make those allocations, but those choices do vary across services. Not all services make three-year allocations.

Q128 Jim Cousins: When I asked you about adult social care the answer you gave I thought was an interesting one, because it led us to a recognition of actual case and a recognition of case mix costing, but it is precisely those things that you previously rejected in an answer to an earlier question, because that data was softer. Is that not the case?

Mr Richardson: No. What I was saying was that there are a number of factors that drive the cost base of any public service and that population data is not the only variable factor, and that therefore any formula base can never provide you with a kind of detailed, exactly right answer for the cost. I was not saying the formula should take into account the costs of every individual person in social care because that depends on a whole bunch of policy decisions made at local level as to what provision is going to be available, so central government is not in a position to say social care in this particular district should cost exactly this amount, and government does not make an allocation as such for social care as a whole. We provide a revenue support grant to local authorities and local authorities then make those decisions within the resources available to them, of which, of course, that is only part, and in a sense those decisions need to be taken closer to the front line of the services than central government is ever going to be. When central government allocates out there is inevitably a degree of averaging of the different pressures that any individual local authority faces.

Q129 Jim Cousins: Do you not think it is a bit odd that in health, for example, we base allocations to primary care trusts on the basis of historic data some
way back projected forward some considerable time
into the future, but adjusted year-on-year for actual
measures of transfers of patients allegedly on GP
registers, which are a considerably soft form of data,
based on the actuals contemporaneously for that
precise year? Do you not think it is an odd way of
distributing resources?
Mr Richardson: Obviously those decisions are
ultimately matters for the Department of Health,
but there is surely a compromise between different
sources of information, and I am not sure what is
odd about—

Q130 Jim Cousins: About muddling together two
different bodies of data which happen to be from
completely different origins and completely different
margins of error and completely different quality
aspects.
Mr Richardson: I fail to see why a purist approach is
necessarily always going to be best in any given
situation. As I say, allocations to PCTs are not a
matter on which I have expert knowledge; that is a
matter for the Department of Health.

Q131 Jim Cousins: Is it coming back to the Treasury
that there is increasing concern by people on the
ground, both in health and in local public services
generally, particularly from the areas which are hard
to count, have high turnover and have high
volatility, about running services on a basis of
population figures which may be considerably
wrong?
Mr Richardson: Yes, we are very aware of this issue.
I was at the Migration Impacts Forum last week.

Q132 Jim Cousins: What are you going to do
about it?
Mr Richardson: The statistics themselves are a
matter for—

Q133 Jim Cousins: What are you going to do about
it? If it is coming back to you, what are you going to
do about it?
Mr Kelly: The ONS—

Q134 Jim Cousins: I am very sorry, Mr Kelly, what
is Mr Richardson, who was at this forum, going to
do about it?
Mr Richardson: Improving the quality of the
statistics is a matter for—

Q135 Jim Cousins: Are you going to do anything
about it?
Mr Richardson: ---the Office of National Statistics. It
is something that is ultimately their responsibility.
Departments across Whitehall, including the
Treasury, have been working with them on how to
improve those statistics, and improvements have
come through. There have been changes in the
methodology already and there are future changes
programmed in.

Q136 Jim Cousins: So you are looking at the front of
the pipe, but at the back of the pipe, where the
problems occur on the ground, you are not going to
do anything about it?
Mr Richardson: I am sorry, I am not sure I
understand the question. What is it that you are
saying we should be looking at?

Q137 Jim Cousins: What you have just said is that a
number of problems are coming back to the
Treasury about how the use of these figures
projected forward causes these problems in the areas
which have high volatility, are hard to count, have
high turnover. It is coming back to you there is a
problem there, because people are running public
services but there is a big margin of error in the
resource allocations they are using. I have asked you
what you are going to do about it at the end of the
pipe where people are running the services. The
answer seems to be that you are not going to do
anything.
Mr Richardson: The Treasury cannot run public
services at the end of the pipe. That is a matter for
public service deliverers.

Q138 Jim Cousins: The problems of the people who
are running services at the back of the pipe are
coming through to you. I am asking you what you
are going to do about them, and the answer appears
to be zilch.
Mr Richardson: We work on improving the
statistical basis, but, ultimately—"What is it that
you do to help primary care trusts?"—it is a matter
for the Department of Health to work with primary
care trusts; it is not a matter for the Treasury to tell
primary care trusts what they should do about
people in their area; it is not a matter for the
Treasury, ultimately, to determine allocations that
the Department for Communities and Local
Government makes to local government. Obviously,
we are involved in those discussions, we raise the
issues with them, there are conversations around
these things, but these are matters on which, if you
want to know what the Government is going to do,
you need to approach the department with
responsibility.
Chairman: Thank you. We have other witnesses
waiting, so we are going to leave that part of the
session there. Can I thank all four of you very much
indeed for helping us this afternoon and ask you to
migrate as quickly as possible out of the room so we
can bring the other witnesses in. Thank you very
much.
Witnesses: Sir Simon Milton, Chairman, Local Government Association, Mr Andrew Blake-Herbert, Strategic Director of Finance and Policy, Slough Borough Council, Mr Mike Curtis, Director of Finance, Islington Council, Mr John Bradley, National Census Co-ordinator, Manchester City Council, and Mr Geoff Sanford, Director of Finance and Information, NHS Newham Primary Care Trust, gave evidence.

Q139 Chairman: We are going move on because we are expecting a division in the House at any moment, in which case we will have to suspend for ten minutes. Could I welcome you, Sir Simon, and your colleagues? Would you briefly introduce yourselves for the shorthand writer, perhaps beginning on the left side of the table?

Mr Curtis: Mike Curtis, Director of Finance, London Borough of Islington.

Mr Blake-Herbert: I am Andrew Blake-Herbert, Director of Resources, Slough Borough Council.

Sir Simon Milton: I am Simon Milton; I am the Chairman of the Local Government Association and I am also Leader of Westminster City Council.

Mr Bradley: I am John Bradley, National Census Co-ordinator for Manchester City Council.

Mr Sanford: I am Geoff Sanford, I am the Director of Finance and Information for Newham Primary Care Trust.

Q140 Chairman: In view of the time, can I emphasise that you do not all have to answer each question; if you would just try and ration them between you. Sir Simon, perhaps I could start with you, more generally, in your role with the Local Government Association. What are the biggest challenges facing councils in trying to establish their actual population?

Sir Simon Milton: There are two key challenges. The first is that councils do not have a great deal of confidence in the 2001 Census, as a result of some fairly well-documented problems that we found with that, and going forward, therefore, have concerns about the way the next census will be conducted. The second area of concern is the way that inward migration to the UK is counted both at the level of border crossing but then, much more particularly, how population is allocated, or estimates of migration are allocated, to individual areas, because, fundamentally, councils are finding that they are having to service populations which their funding regimes do not recognise.

Q141 Chairman: How has central government responded to you on those two challenges?

Sir Simon Milton: Central government has accepted that there were flaws in the 2001 Census. Manchester, Westminster and, subsequently, a number of other councils had to have their populations adjusted.

Chairman: We are going to adjourn now for ten minutes until 3.46. Thank you.

The Committee suspended for a division in the House from 3.36 p.m. to 3.46 p.m.

Q142 Chairman: The last question was how central government is responding to the two challenges you have identified? Are they supportive?

Sir Simon Milton: Yes. Central government has acknowledged there is a problem. They have acknowledged the problem with the Census but they also acknowledge the problem with counting migration and allocating it. Having conceded that there is a problem, there has been much less willingness to discuss solutions to that problem and, in particular, as we would request, to make right those councils and public service organisations that are finding their budgets being squeezed as result of inadequate caps.

Q143 Chairman: I take it from that that they are prepared to look and see if there is a problem the next time, but they are not going to address the problem you have identified the last time.

Sir Simon Milton: The Local Government Association has suggested that the Government, the Treasury, should actually set aside a fund to support those councils, PCTs, et cetera, that have found themselves in that situation can make a case to bid from, and they have declined.

Q144 Chairman: John Bradley, why is it so important for local authorities to have accurate estimates of population? Presumably there are swings and roundabouts, some censuses you might gain from, some that you might lose from. Why is it so important?

Mr Bradley: It works at a number of levels. In absolute terms, of course, revenue support grant is dependent upon those council populations, be that in total numbers or be it in relation to particular age groups—extra money for the elderly or the young—so each council is bound to want to ensure that its population is accurate, but, beyond that, the demographic information is used for policy purposes, to determine where to spend money at a local area, and the Census provides the basis of local area geography to get down to those basic levels of service delivery.

Q145 Chairman: Mr Curtis, the tabloid press continue to focus on the issue of migration. Is there a genuine concern in councils like yours about the provision of services to migrants?

Mr Curtis: I think there are demands that are placed upon us by inward migration and the populations that brings. So, in terms of services like translation services, support services in schools, mental health services for some young adults, there are demands it places on us that are not reflected in the figures which create our settlement.

Q146 Peter Viggers: Can you give us a flavour of the dialogue with Government? Do you try to produce your own statistics and is the Government receptive to this kind of dialogue?
Mr Blake-Herbert: Certainly. We have been lobbying the Government on this issue now for some two years, initially with the Office for National Statistics directly, to the point where it was recognised the population statistics were not accurate for authorities such as Slough, where you get the super-diversity churning population, where it is much harder to count in the right way. We have obviously been lobbying very hard with DCLG in terms of trying to get resources put in the right place and supporting the Local Government Association in its call for £250 million, but so far the response we have had back is that the local authority formula has to be one formula for all the local authorities across the country. That formula, although it is not perfect at the moment, is supposedly based on the best data available. From our point of view at a local level, we need accurate statistics so we can plan services properly, both for new migrants but also for the current indigenous population, but we also need the right level of funding to be able to support them; and it is well recognised by the cohesion experts that if various communities are seen to be competing for limited resources, issues around tension can happen. When you have an authority such as Slough, which has the highest ethnic mix outside of London, which is something that we are very proud that we manage very well, it is something that we want to continue to manage well. Trying to get the funds to support us in the additional service pressures that we know we have got we have found very hard to do, and our requests for specific grants so far have not come to what we wanted in terms of funding.

Q147 Peter Viggers: I understand that you have your own way of counting the population. Can you elaborate on that?

Mr Blake-Herbert: Our approach is more about proving to the Office for National Statistics and to Government that the formula as it currently works is not accurate for authorities such as Slough. At the last census Slough had the ninth fastest growing population in the country, despite having the second fastest declining population in the country. That formula, although it is not perfect at the moment, is supposedly based on the best data available. From our point of view at a local level, we need accurate statistics so we can plan services properly, both for new migrants but also for the current indigenous population, but we also need the right level of funding to be able to support them; and it is well recognised by the cohesion experts that if various communities are seen to be competing for limited resources, issues around tension can happen. When you have an authority such as Slough, which has the highest ethnic mix outside of London, which is something that we are very proud that we manage very well, it is something that we want to continue to manage well. Trying to get the funds to support us in the additional service pressures that we know we have got we have found very hard to do, and our requests for specific grants so far have not come to what we wanted in terms of funding.

Q148 Peter Viggers: How appropriate is the definition of population based on the “usually resident population” in the context of the needs of the users?

Sir Simon Milton: I think that it is good to have a national way of defining population, but as society becomes more mobile, there are all sorts of societal trends which are making the old definition of “normal resident” more problematic. For example, there are significant differences in some cities between day-time and night-time population, between term-time and vacation-time population and between weekday and weekend population. None of those things are adequately captured in that “normally resident” definition.

Q149 Peter Viggers: Is the Government completely inflexible on this or is there negotiation at the edges? Have any of you found the Government accepting your arguments in great or in part?

Mr Bradley: From my experience the answer seems to be that we are reliant on official statistics. In Manchester we have a particular concern about the Subnational Population Projections, which are used in allocating the support grant. They are now currently based on 2004 mid-year estimates, and ONS are working on 2006-based population estimates and we would like that to be based upon the latest available figures, as was discussed earlier, but I am sure the stance will be that the statistics are not available.

Q150 Peter Viggers: Your united view seems to be that you are done down. Are there local authorities that are done up?

Sir Simon Milton: The LGA commissioned a survey by the Institute of Community Cohesion of around 100 councils looking at this issue and how they were affected, and there are some councils who will possibly have had their populations overestimated. I cannot name them off the top of my head, but I am sure there will be some. Overall, the problem is that we do not know accurately where people are and, therefore, you cannot allocate resource accurately. There is another dimension to why this is an issue for councils, and not just the money. The performance indicators by which councils are measured rely, very often, on a per thousand head of population count on what you are doing—so: what are crime levels in

Mr Blake-Herbert: Currently say live in Slough. If it is an under count, how can their figures follow that? We have looked at the PLACE database, which is a database of children registering, and over the last three years we have had over 800 secondary school children register whose first language is not English, new migrants, either to the borough or to the country as a whole. I think that is one of the key things. This is not just about international migration, it is about migration within the country. It does not matter whether someone has come from Poland or from Putney to Slough, the statistics are not keeping pace, and because of that we are not able to provide the right services.
your area per head of population? If you have an under-counted population, your crime levels would look artificially high, and there are all sorts of circumstances. In my council, which has had well-documented fluctuations in population, our rankings in the social care inspections changed purely as a result of indicators, which were population based, coming up with different results, although the service was absolutely consistent over the period of years when those inspections were taking place. So, there is a big reputational impact for councils as well as a financial one.

Q151 Nick Ainger: The ONS have concluded, in reviewing the need for a census in 2011, that high quality census information could only be provided by a traditional census in 2011. Do you agree that a 10-year census is the best way of producing accurate statistics?

Sir Simon Milton: I believe that this country has changed to a different extent than you need more than a 10-yearly census. That alone cannot be the basis on which we fund and plan public services. We all know that a census becomes out of date as soon as it is taken, and we are experiencing such dynamic change over the last decade, which we have to assume will continue, that it really makes no sense to try and plan services many years out on the basis of that census, and we think that the ONS should be looking at the experience of other countries who do things differently, to see whether there are better systems that could be adopted in this country.

Q152 Nick Ainger: In your discussions with the ONS have they given any indication that they are seriously looking at a different way, they maybe looking at the Scandinavian model, where they have a series of registers which seem to work extremely well, or are they sticking to their view that in 2021 they still want the traditional census that they intend to do in 2011?

Sir Simon Milton: No, my sense is that they are now looking at other models. I think, actually, nobody is saying what will happen in 2021. I think they are committed to 2011, but I think things may change after that.

Q153 Nick Ainger: Mr Bradley, from your perspective—I understand you are more technical than perhaps Sir Simon—from your understanding of what happens in other countries, would this population register system address the concerns that local authorities and PCTs have?

Mr Bradley: The difficulty is that no administrative data set has all of the answers; each of those that the country has is designed for a particular purpose. When the 2001 Census results were announced, the administrative data sets in Manchester showed that the results were implausible. That information did not result in a change in the Census. It was almost rejected, effectively, through a quality assurance process. It was as an after-effect that we were able to persuade the ONS they needed to look again at the estimates. Those administrative data sets do paint a picture which, I think, can be very powerful in the future, but it is not as easy as it might seem, and it depends, in my view, upon, for instance, a very sound address database. If you want to bring administrative data sets together, you need to be clear about the address base that you are using.

Q154 Nick Ainger: You pre-empt my next question. Obviously, there is real concern over the failure so far to produce a full, reliable address register. I understand that there is the information out there, but so far, for various reasons, it has not all been put together and, therefore, we have not got a reliable address register. What can local authorities do to assist with putting an accurate address register together, obviously with all the other parties, the Post Office and so on, and other government departments?

Mr Bradley: Local authorities are doing a great deal joining together to create a national valid property gazetteer. Signing up to local services agreements to ensure that all these things are handled consistently across all local government builds a very sound address register, and the difference is that the local government register is not there for postal delivery purposes, it is there to capture an array of information about the local area—where bus shelters are, for instance, sending a fire engine or an ambulance somewhere: the public will not always know the exact address. Local government also, as the planning authority, are the people who decide where the property should be built, or agree where the property should be built, and there is a street naming and numbering function, deciding how it should be numbered and what it should be called, and so they have a primary role, in my view, in developing a comprehensive address database.

Q155 Nick Ainger: So what is the problem? Why have we not been able so far to produce an accurate address register which will give the option—it is not the option, the decision currently—for ONS to do a post-out, because if we have not got that address register right, then immediately the accuracy of the Census is undermined, is it not?

Mr Bradley: Indeed, it is, and that was the major difficulty in Manchester in 2001. There were 14,000 properties missed.

Q156 Nick Ainger: How many?

Mr Bradley: Fourteen thousand.

Q157 Nick Ainger: Fourteen thousand?

Mr Bradley: Yes. There are a couple of perspectives on that. One is this issue of intellectual property rights. Any organisation these days has to worry about its budget, and Ordnance Survey and local government are no different to anybody else. There are tensions about the amount of effort and money spent to produce those registers and the way that they have then been used. It is also, I think, fair to say that the NLPG is bringing together data from hundreds of local authorities who may well not be in the same place in terms of cleansing that data and
getting it up to standard. It is getting very much better in recent changes to the standards that are adopted or that are significant. In truth, though, they should be brought together, and there is a perspective, in my view, in relation to the Statistics Commission, about the public good and an address database for the authority is in the public good.

Q158 Nick Ainger: The Demographic Users Group says the Government should bang heads together. Would you agree with that? Which bit of Government should be banging their heads together?
Mr Bradley: It is probably not for me to say, to be honest, because several parts of government seem to have tried.

Q159 Nick Ainger: In principle that is what is required, is that the case, to actually bring these different organisations together and say, “We need an accurate national address register”?
Mr Bradley: You could do, but it also ought to be possible for organisations to work together to collaborate in producing something that benefits both organisations as well.

Sir Simon Milton: If I can assist, it has been a matter of frustration that this has not been sorted out. I believe that a little bit of external pressure applied could well help remove whatever blockages seem to be occurring.

Q160 Mr Todd: Has there not been a business case prepared by local government collectively on the potential gains to be achieved by having an accurate address database? As you said, there are a number of potential purposes for addresses by which you would gain from having that information at your fingertips, I would have thought. Has anyone done that task?
Sir Simon Milton: I am not aware that they have, but I think that is not where the problem lies. This boils down to what, to all intents and purposes, seems to be a commercial dispute between two different organisations that have different databases and as to the commercial exploitation of those databases.

Q161 Mr Todd: I am aware of that background to it, but from familiarity with doing this sort of thing, what normally facilitates the ending of a log-jam is a powerful argument as to the advantages that can be gained from it.
Sir Simon Milton: The answer, I am afraid, is I do not know whether that has been done.

Q162 Mr Todd: Would that not be worth considering?
Sir Simon Milton: Yes.

Q163 Mr Todd: Because one of the odd things is that the ministry which is responsible for local government is also responsible for Ordnance Survey, although less directly because of its different status, and I would have thought a clearly argued case showing the gains to be made would be helpful in raising this up the priority list of ministerial activity.

Sir Simon Milton: You may well be right, Sir.
Mr Bradley: The answer, I am afraid, is I do not know whether that has been done.

Q164 Mr Love: Mr Sanford, we have heard evidence, and indeed there has been a lot of publicity for a number of local authorities—Westminster, Enfield, my own London authority, Islington, Brent, and of course Newham, which have called into question the mid-year population estimates and, indeed, the whole trend of those estimates. What I would like you to do is to give us some examples of where you think it is going wrong in your own local experience but perhaps, more importantly, how do we correct those mistakes in a way that will find validity of the ONS?
Mr Sanford: Certainly in my own PCT, we do not have confidence in mid-year estimates. We think they are significantly understating the true population that we are dealing with. To give you some numbers, the population of Newham under mid-year estimates is around about 260,000 people. I currently have just under 330,000 people registered with GPs in the area. There are reasons why the GP register should be always larger than the estimates, but even if you adjust for those, I still think there is a gap somewhere between 25 and 35,000 people.

Q165 Mr Love: I doubt very much whether the ONS will be very keen on accepting what I think Mr Cousins characterised as soft data from GP practices as an alternative.
Mr Sanford: Yes. Perhaps I will come back to that, but to answer your first question, that has affected us in a number of ways. We are looking at a very rapid increase in population. The Thames Gateway will have a significant population growth after the Olympics, and it is difficult to plan for a population growth at that level when our funding is not keeping up with that, when the ONS population statistics are not taking account of housing growth that is going on as well as immigration that is going on. It just
feels that there is a large gap appearing between what on the ground we are seeing as real pressures and what ONS is saying that there is. There are two real effects of that happening. One is on funding. There is not a direct relationship between NHS funding and population. There is a time lag, effectively, between when a large change in population happens and when funding comes through. Nonetheless, it does affect the level of funding we receive. More importantly, I think we are becoming very reliant on the performances of what is going on within the borough in planning decisions—things like mortality rates, things like fertility rates have become central to the way that we are now planning services—and I do have a concern that the denominator in an awful lot of those indicators is not reliable. We could certainly be making poor decisions based upon our indicators that are not accurate.

Q166 Mr Love: I think the case has been made for the implications of under estimating population. I do not think we need to go into that in any further detail. What we need to do is establish a methodology that would be acceptable to the people who will actually do the work, in other words ONS primarily, at least in general acceptable. What are the steps that need to be taken to recognise the population increase in Newham?

Mr Sanford: I think a greater recognition of housing stock and how it is changing. We have heard people talk already about immigration and the way that that is affecting the population of Newham. I would have thought those were the main two that would affect that.

Q167 Mr Love: Can I go on to Slough? Earlier on, you gave a whole series of comparators, including the Greater London Authority figures, and they are well established, although they are based on new housing, as I understand it. You talked about child benefit and various other statistics. Where would you like the ONS to look? If I can pick up a question that was asked earlier on which you did not quite answer: I understand that Slough has a unique methodology he uses, which is—

Mr Blake-Herbert: I think it is the latter, but its about using a basket of those indicators; so it is not about using a single one. We readily acknowledge that there are flaws with all of the individual databases which are out there, but it is about using them to quality assurance against the others. The Greater London Authority’s process is a very similar one to the ONS because, as you say, it uses new property in conclusions. At the moment, according to DCLG, Slough is one of only seven authorities in the country that, supposedly, has not got to provide a new house until after 2016. Going on the last three years, we have built over 2,000 in Slough, and it is a trend that is increasing at the same time, as we know we have got 4,000 people on the housing register (going back to the programme on Panorama on Slough, the sheds for beds phenomenon) in terms of people building sheds at the bottom of their gardens, without planning permission, with migrants sleeping in them in large numbers, at risk to themselves and also to surrounding neighbours and properties, so one of the key elements is definitely housing. Another part of that is that we have come across in large areas is we have a statutory responsibility to check houses in multiple occupation and to register them when they are three storeys or above. We have actually had, over an 18-month period to September last year, 1,050 two-storey houses in multiple occupation spring up. These are standard, three-bed semi-houses which are converted into houses in multiple occupation for which we are not funded to go in and do inspections. So, looking at the housing information, not only new housing but changes in the use of housing to HMOs will be a key part of that. I think the children’s data set is a very accurate one in terms of school rolls. We also know the home address. So, if there are children coming to your borough from out of the borough, we are able to pick those up and accurately reflect them. They could be included, which we have looked at, as part of our estimates. The child benefit data itself within the DWP database is very accurate, and if people want to receive their benefit, they are going to make sure their address is up-to-date and their cheques, via BACS, are coming through.

Q168 Mr Love: Have any of the people present here used Professor Mayhew to estimate?

Mr Blake-Herbert: No.

Q169 Mr Love: I was going to ask about the methodology he uses, which is—

Mr Blake-Herbert: It is very similar, yes.

Q170 Mr Love: ---not far away from where Slough is at the present time, but perhaps I could ask Sir Simon: I think the case has been made by many local authorities of the gap between what their local estimates are and what this is coming up with. What I think ONS want, and what the Treasury reflected in our earlier discussion this afternoon, was some concern that we should take it on the basis of each local authority, and that relates to two issues: (1) it is in the interests of all public authorities to estimate their figures to a high level rather than a low and (2) getting consistency across the piece. Would it be the same set of alternative figures for Westminster as it would be for Manchester or Bristol or any other? How do we make it national so that the ONS can have some reassurance that their figures are accurate?

Sir Simon Milton: I think the answer will eventually lie somewhere in the following territory, which will be that you will have your census which will take place every ten years or five years, whichever path we go down, which, if it is conducted properly with a proper address register, ought to give you a reasonable snapshot at that point in time but that, as
you move away from that census date with mid-year estimates, those estimates should be compared to a basket of administrative measures which give you a quality check as to whether those estimates are likely to be right or wrong. It has become quite easy for a lot of councils to disprove the estimates; it is much harder to prove an alternative figure; and, for perfectly understandable reasons, you are absolutely right, there needs to be a nationally consistent model if we are not to create individual models for different councils. I think it is around constructing a basket of administrative measures which use all the data which Andrew has set out, and there are some other types of data that can be used. Some are not available to us because they belong to government departments who are not prepared to share—that is a job for the Statistics Board to sort out—but then, you could create a model from this basket of measures against which you could compare the estimates to do a quality check and it would throw up anomalies which you could then go and do further work to try to unravel. That is where I think we are probably going to be headed.

Q171 Mr Love: Let me ask you two questions in relation to that, one specific to Westminster. Westminster, in some senses (you have used the phrase yourselves), is an extreme case.

Sir Simon Milton: Yes.

Q172 Mr Love: It is a lot to do with migration and movement.

Sir Simon Milton: Yes.

Q173 Mr Love: One assumes that is not going to change.

Sir Simon Milton: No.

Q174 Mr Love: How do we ensure that the extreme cases come into the general picture and, secondly, how does the ONS fit into that picture? You are almost posing it as if it is a bargaining chip. You say one figure; we say another. Let us agree one in the middle. How do we get that to work effectively?

Sir Simon Milton: I think that is not an inaccurate description of the way things have turned out. I think that the Westminster situation is acute, for all of the reasons you have heard, all of those factors apply to us, but there are some additional factors that nobody, I think, has mentioned yet, which is that, as a matter of policy, the Government does not count certain categories of people. We do not count people who state an intention to stay less than 12 months. We would argue that there are parts of the country that act as a magnet to short-term migrants of that kind, who do generate a demand for services, and also that people quite often who say, “We are not going to stay longer than 12 months”, do. You might come to study for a year and then not leave, or overstay, and none of these people, as a matter of policy, are counted in the official statistics. Nor are failed asylum seekers, people whose leave to remain has been cancelled and, of course, illegal immigrants, who we do not, supposedly, know anything about. But in parts of this country, and Central London is a very good example, you have large groups that fit into all of those categories who are not, as a matter of course, even attempted to be counted into the figures, let alone all the methodological problems we have got with those people who we are trying to count.

Q175 Mr Love: Let me ask a question to someone who is not from London. I know Slough is not from London.

Mr Bradley: Manchester.

Q176 Mr Love: Let me ask the two of you. We are almost getting to the point where we are saying there is a special case to be made for London because it is the capital. As Sir Simon said, Westminster might have the most extreme—

Mr Bradley: Manchester is the same.

Q177 Mr Love: I know that. I know my colleagues around the table will disagree with this, but I am posing it to you. Sir Simon has made out the extreme case of Westminster, but that percolates through a lot of the rest of London, and London would stand up and say, “Well, if you need to do this cross-checking specifically for us, you know that you will need to do it for other parts of the country.” Maybe Manchester and Slough are not good examples of that, but some would say in rural areas where there is very little population movement, you need to do it for high levels of population movement areas, you do not need to do it for others. How would you respond to that? Manchester first.

Mr Bradley: I think Manchester is a very good example of that. The points that Sir Simon makes about short-term immigration equally apply to Manchester—to what degree needs more research, needs better numbers—so that is an absolute comparison. The other factor which Manchester has is high levels of deprivation which naturally cluster hard-to-count people. I think mention was made before about areas where it is difficult to count people are the very areas where more resources are needed; it is a much more critical issue for those authorities. Manchester, on the one hand, can consider itself reasonably fortunate because it managed to work with ONS to get change to these numbers as a result of 2001. Its population increases are high in relation to all other London authorities. Manchester—to what degree needs more research, needs better numbers—so that is an absolute comparison. The other factor which Manchester has is high levels of deprivation which naturally cluster hard-to-count people. I think mention was made before about areas where it is difficult to count people are the very areas where more resources are needed; it is a much more critical issue for those authorities. Manchester, on the one hand, can consider itself reasonably fortunate because it managed to work with ONS to get change to these numbers as a result of 2001. Its population increases are high in relation to all other London authorities, representing the growth in Manchester and the regeneration that is going on there. Nevertheless, it still is a very dense urban area with all of the problems and difficulties that are faced in parts of London. There is no difference, in my view, in terms of inner city issues between London and Manchester.

Q178 Mr Love: I will come back to you. Rather than answer that same question, because I think you will give me the same answer, let me ask you a slightly different question. Should we be just looking at acute areas of high population turnover in relation
to doing this validation exercise? Is there lots of the country where, because of the small turnover, that does not really need to apply?

Mr Blake-Herbert: I think that needs to be applied to all local authorities, to be fair. I think there are issues about super diversity, and change is a particular issue which we have looked at, but those authorities such as Slough are used to managing high levels of diversity, so they have practices in place. There are still budgetary pressures which need to be managed, but some of the smaller, more rural agricultural areas are now seeing migration for the first time, and for them it is about putting together practices to support migration and cohesion which they are not used to doing. I think there are different pressures, depending on the local authority, so I think we need to do that exercise for them.

Sir Simon Milton: I think the Committee needs to be aware, there are going to be many, many more hard to count areas in the 2011 Census than there were for 2001, for the reason we have just heard. Kerrier, the smallest district council in Cornwall, currently has 2,000 people living in caravans and fields who are there for agricultural work. That would never have been the case in 2001. That is a sign of how we are changing as a nation. I am not saying it is good or bad; it is a sign of the way we are changing. Therefore, hard to count is not just associated with densely populated, inner urban, high migrant areas any more.

Q179 Jim Cousins: I wonder, Mr Sanford, if you could just take us through how the crucial thing for resource allocation is not necessarily the defects in the figures, it is how they get used. How does the Department of Health allocate using population information?

Mr Sanford: There are two key numbers that every PCT has. There is actual allocation, which tends to be an historic amount which is added to each year by a growth factor that the Department of Health will determine. The second number they have is what is referred to as a weighted allocation target, which is an estimate of the funding which the PCT should have based upon the needs and the size of its population. So, for every PCT there is both a target and an actual allocation. Depending on whether they are above their target, and slowly every PCT is moving towards their target. So, for a PCT, it is quite important what its weighted capitation target is, but it is not the only factor which defines the level of allocation it will get. The weighted allocation target is quite complex, the way it is calculated, but essentially it is the ONS population with an adjustment made for it for the fact that every PCT is responsible for its registered population rather than its resident population—so those people who are registered with a GP in the area—and then adjusted for a number of factors. So, it is adjusted according to the age profile of the population, it is adjusted for various indicators of deprivation, health need, mental health needs—there is a list of around about 20 odd—to come up with a weighted target allocation.

Q180 Jim Cousins: How would the Department of Health deal with an area in which there was a large student population in terms of the GP data?

Mr Sanford: In that case it would depend upon where the students are registered. It probably is not going to affect their allocation on a year by year basis. It will affect their weighted capitation target if those students are registered with GPs in that area, because that would add to the registered population and, therefore, the weighted target. It would not necessarily mean there would be a change in their allocation. So, if there was a reason for a large increase in the population—maybe a new housing estate opening or a university moving into a new area—that would not trigger an increase in the allocation at that time, it would trigger a change in the weighted allocation target the next time that ONS recognised that in their mid-year statistics or in their census data. That would increase the gap between the target and the actual allocation, which slowly would come back to being closed again over a period. A rapid change in population can take many years before the PCT’s allocation catches up.

Q181 Jim Cousins: How do these difficulties affect you in Newham?

Mr Sanford: Those difficulties are twofold, I think. One is what we have been talking about for some time, which is that the basis of the population which is used to calculate that weighted capitation target is suspect, but the second is that we are a borough that is looking at a very rapid increase in population. GLA forecasts think that by 2016 there will be a 16% increase in the calculation from now. That is coming on the back of the Olympics and the Thames Gateway and other changes that are going on. I think, on the current formula that the Department of Health uses for allocating money, that it could be up to 15 years before our allocation catches up, but that population increase is already affecting my spending. We are already seeing it in terms of a huge increase in our birth rate that is going on at the moment, quite large increases in demand for emergency services and GP services. So, I have a big gap appearing in my financial forecast between the spending that we are likely to have associated with population growth and when the allocation will catch up.

Q182 Chairman: A final question from me, Sir Simon. How effective has been the co-operation between the Local Government Association and the ONS? Are you looking for a step-change before the Statistics Board takes over in April?

Sir Simon Milton: I think the co-operation with the ONS has been okay. The ONS, we think, has been under funded; we think there have been some issues around their move, their relocation. We think that
the Statistics Commission has a very important role to play in getting all government departments to play a consistent game, together with local government, in order to arrive at a better understanding of the impact of population on different services and different departments and to find ways to ensure we are using data in the right way. Government departments collect data for all sorts of reasons, which could do with a bit of tweaking, and to the administrative data sources that are necessary to check the population in the future, and I see the Statistics Commission as playing a key role in doing that.

**Q183 Chairman:** Do you mean the new Statistics Board?

**Sir Simon Milton:** The new Statistics Board; I beg your pardon.

**Q184 Chairman:** Not the existing Commission?

**Sir Simon Milton:** No, the new Board. We have had our first meeting with Sir Michael Scholar to explore some of these issues.

**Chairman:** He will be giving evidence to us on Monday. Good. We are going to leave it there. Five of you have given evidence. If any of you feel that you have not had a fair shout or if there is any other matter on which you want to put your point over, do not hesitate to write to us, but you will have to do that fairly quickly because this inquiry is going to finish in the next two or three weeks. In the meantime, thank you very much for your attendance today.
Monday 28 January 2008

Members present
Mr Michael Fallon, in the Chair
Nick Ainger
Jim Cousins
Ms Sally Keeble
Mr Andrew Love
Rt Hon John McFall

Witnesses: Ms Karen Dunnell, National Statistician and Registrar General for England and Wales; Ms Jil Matheson, Director, Census Demography and Regional Statistics Office, Office for National Statistics; and Sir Michael Scholar, Chair, The Statistics Board, gave evidence.

Q185 Chairman: Can I welcome the three of you back to the Sub-Committee. Could you formally introduce yourselves, starting with Jil Matheson.
Ms Matheson: Jil Matheson. I am Director General for Statistics Delivery in the Office for National Statistics.
Ms Dunnell: Karen Dunnell, National Statistician and Chief Executive of ONS.
Sir Michael Scholar: Michael Scholar, Chair Designate of the Statistics Board.

Q186 Chairman: Thank you very much. You will be aware, Ms Dunnell, of our report into the efficiency programme of the Chancellor’s Departments last summer. Do you think, in the light of that report, the Office for National Statistics is sufficiently resourced financially to accurately count the population?
Ms Dunnell: I think that in general terms the settlement we got under the CSR was very reasonable but, as you probably know, we have identified some areas where we feel we need extra funding, particularly for the census and for our plans for improving migration statistics, which we are actually at the moment negotiating with several other government departments. In that sense, no, we have recognised that in this particular area we do not have quite enough money.

Q187 Chairman: Is this a bid subsequent to the CSR?
Ms Dunnell: It is not a subsequent bid but it is something that we have been advised to do by our Minister and also by the Treasury to identify those departments who will be key beneficiaries of the extra data and to see whether they can contribute towards it.

Q188 Chairman: This is like Statistics Canada charging departments for particular questions to be inserted in the census. Is that right?
Ms Dunnell: It is similar to that and, of course, we do that already; for some of the survey and other work that we do we work on a repayment basis but, as you know, the census and migration statistics are statistics which are used very widely across government and we are in fact making quite good progress on these negotiations, getting some support from departments to top up our budget because it would be to great advantage to them of course in the future. We are also asking them to sign up to work in kind, working on their own administrative registers, for example, which we are also getting very positive feedback on.

Q189 Chairman: Sir Michael, I appreciate Karen Dunnell does not report to you until after 1 April but what will you do if she comes to you after 1 April and says that this has not worked, that she does not have sufficient resources to count the population accurately?
Sir Michael Scholar: The whole question of the budget for the ONS will be an early item on the agenda of the Board. My Board will be having its first meeting this coming Saturday, February 2, and the issue of the budgetary provision for the ONS generally is mentioned on the agenda. I do not think we are going to have time to have a full discussion of it on Saturday but I am quite sure that we will have an early discussion of it, and our consideration of that matter will include a consideration of the question you have just put to me.

Q190 Chairman: What powers do you have, other than exhortation, if you decide as a Board that it does not look as if Karen Dunnell will have the resources she needs? What power do you have?
Sir Michael Scholar: We have the power of representation, the power obviously to report to Parliament and to its Committees. I suppose we also have the power to say to customer departments “Yes, you want to have this information. I’m afraid we can’t afford to give it to you.” That would be one possible response to this situation. It is obviously one which I hope we would not be driven to.

Q191 Chairman: You would say that publicly, would you?
Sir Michael Scholar: Yes, absolutely. When the Treasury Committee interviewed me in July I gave a commitment to transparency in our dealings, and that is also something I will want to discuss with the Board on Saturday when we first meet.

Q192 Chairman: Karen Dunnell, the ONS released new population projections in November stating that long-term assumptions of future fertility, life expectancy and migration are all higher than those made in previous projections. Why have the assumptions changed?
Ms Dunnell: As you know, the population projections are not forecasts; they are projections based on a series of assumptions which we reassess every two years on the basis of the trends, the very recent trends that have happened. If we take fertility first, we have seen since 2001 a very obvious turn-around in our falling fertility rate, so it is very clear that the fertility rate has risen now for five subsequent years, having been falling for many, many years prior to that. Our assumption now about fertility is that the women in the population will have a higher number of children by the time they finish child bearing than we assumed when we last did the projections two years ago and that is based on a real trend that is happening at the moment. Similarly, with death rates, which is what we use to calculate life expectancy, death rates have been going down throughout the century and continue to go down every single year. This leads to an increase in life expectancy, which of course leads to increasing numbers of ever older people in the population. That is based on very clear evidence that we have from our birth and death registration systems. Our assumptions about migration are similarly based on what we have observed over the last few years and, as you know, what we have observed over the last few years is that immigration has increased, emigration has also increased but the net result of that has still increased a bit. So I think our assumption is about 50,000 a year higher for our 2007 projections than it was for the 2005 base projections.

Q193 Chairman: How much confidence can we have in that when you told the House of Lords Committee back in October that, with something like 90 million passenger journeys per year in and out, the consequence of this is we really do not have adequate data on net migration.

Ms Dunnell: Yes. The situation on that—and, as you know, I have had a task force looking at migration data—is that we are dependent, particularly for reliable figures on emigration, from our survey that we carry out at ports and airports. We have already put in place some improvements to that, things like increasing the samples of people who are migrating that we interview by interviewing even more people to identify them, and will shortly be increasing the number of airports that we cover. So we have carried out some improvements on that already. The real problem is that we are confident about the national figures on the number of people entering and leaving the country but what we are not nearly so clear about is where they actually go after they have arrived, where they settle, so we have already put in place an improvement in our latest population estimates using information from our household surveys, because from that we get a much better idea about where people are distributed around the country. It is very difficult to use information that you collect either when people arrive or when they leave because on the whole they do not know where they are going, which is why we are now backing it up with information from household surveys.

Q194 John McFall: Professor Rhind told us when he came before that inaccuracies in the statistics would impact on government in terms of financial allocations and, given the serious shortcomings in the migration statistics, what steps can you take to mitigate such inaccuracies?

Ms Dunnell: I have mentioned the migration task force and that has a whole series of recommendations which we have published, some of which I have just mentioned that we have already put in place. Then we have plans to carry on improving the estimates by various means. One of the things that we have begun working on, for example, with other government departments and with local authorities is investigating the use of administrative data which exists in central government, things such as the National Insurance number register, the various registers that we have around children and schoolchildren.

Q195 John McFall: My point is really the financial allocations and the mismatch element. What can you do to mitigate that when you have found adverse situations there and as a result of your task force have you changed policy?

Ms Dunnell: The policy about who gets how much money is down to CLG and we work closely with them, obviously, on the statistics which they use in coming up with their formula. The formula does not only, of course, include information about the numbers in the population but it includes other things which we contribute to like the numbers of elderly or the numbers of children, the numbers of dependants, things like deprivation indices, which we contribute to and so on. It is not just a question of the numbers but obviously their concerns about whether they are making correct allocations is why we are working very closely with them at the moment on our improvement programme, which they are helping considerably with, particularly on helping us to engage better with local authorities.

Q196 John McFall: How appropriate is the definition of the population based on the usually resident population in the context of the needs of the users?

Ms Dunnell: Traditionally, of course, we have always based our population estimates on the international definition that somebody who is a resident is somebody who is here for 12 months or more. What we know since migration has become both at a higher level but has also changed enormously in the types of immigration and migration, mainly down to the ease of travelling and our very vibrant labour market, is that there are lots of different types of migrants, many of whom choose to stay only a short while, either for work or as students or just for gap years and so on. One of the things we have done there is develop what is at the moment an experimental statistic, which is a national measure of the number of short-term migrants. The difficulty with this at the moment is that we can only do a split between London and the rest of the country but, again, we are working on administrative data to see if we can get a better
measure of that. We are aware, of course, through the user community and through all the consultation that we have done on the census, that there is a great interest in not only having the permanent residents who stay here for 12 months but a whole variety of other groups of people, whether they be students or workers or short-term visitors or whatever, and we are doing our best with the data that we have to develop new measures of that.

Q197 John McFall: The Scottish Registrar General has consulted the Scottish Executive, who are happy to allow Scotland to move away from the combined census system with the ONS in England and Wales and the Northern Ireland Statistics and Research Agency. Does that concern you?
Ms Dunnell: No, in a nutshell, because back in about 2003 myself and the Registrar, myself then on behalf of my predecessor, the Registrar General, and the Scottish Registrar General and the Northern Ireland one signed an agreement that we would work together throughout the whole period to deliver a UK Census which had comparable outputs, and that has built into it commitments around, for example, the timing and the design of the outputs but it did not necessarily tie us all down to doing the census in exactly the same way, as long as we could guarantee at the end of the day that the outputs were comparable and presented in a coherent way. So what Scotland have decided to do is to pursue their own procurement of some of the basic services for the census, which we do not believe is going to impact on the findings of the census.

Q198 John McFall: So that is going along the lines that the Statistics Commission recommended by placing more emphasis on the UK comparability at aggregate level.
Ms Dunnell: Yes, exactly.

Q199 John McFall: Will the 2011 census be the final traditional census?
Ms Dunnell: My personal view is probably not. One of the things that we do as part of our census work is to look ahead at whether or not we will require censuses in the future, so that, for example, in 2001 we did a report on whether or not we would need a 2006 census. We are already now planning the work to see whether or not we will need a 2016 census and soon after we have done 2011 we will be looking at 2021 but, of course, as part of our population work we are also looking at the whole area of population estimation and whether or not we can find improved methods to produce estimates every year and it is part of an ongoing piece of work.

Q200 John McFall: Do you agree with the Statistics Commission argument that the debate about the future of population counts should not be limited to professional statisticians because of the major political and financial considerations involved?
Ms Dunnell: Yes, I do. At the end of the day, I think government departments and other users will want to depend on National Statistics which has the stamp of quality but, as with all our work, we work very widely with other producers and users and academics and local authorities and so on, and they are a very important part of developing the best methods that we can possibly have. So yes, we are very comfortable with that.

John McFall: What a magnanimous approach!

Q201 Nick Ainger: Ms Dunnell, the European Commission carried out a survey in all 27 EU countries in spring of last year about the level of public support for official statistics. The Scandinavian countries seemed to come top. We were 27th out of 27. Does that concern you?
Ms Dunnell: It does, indeed. Yes, it does.

Q202 Nick Ainger: Bearing in mind the answers you have just given to our Chairman, John McFall, surely the lesson to be learned from that is that the Scandinavian system seems to have the confidence of the people who want to use the statistics. Should you not be moving rapidly to using their method of counting the population rather than persisting with a system which seems to be getting more and more difficult to be effective because of changes in population, changing housing arrangements, all that sort of thing? Should we now actually accept that the census has had its day and we should now be looking at different systems of counting the population?
Ms Dunnell: Yes, we are looking at different systems. What you are talking about, I think, is the method that some Scandinavian countries use of using their population register instead of a census. They use it for their census and also for their population estimates. We are pursuing ideas around whether we can create registers for statistics from the existing registers that we have but the first thing to say is that there are several registers in the UK, none of them actually do the job adequately, and also we believe that to have a really reliable register for this purpose you need to have some legal backing to it. For example, in Scandinavian countries the population are legally bound to report changes of address every time they leave, and we do not have any administrative systems in this country which require that as a matter of law. It really would be a question of having a new kind of legislative framework for this but also, of course, changing the culture of our population. So yes, if a population register could be made to work properly, we would be the first people to be accessing it.

Q203 Nick Ainger: If you are going to wait for legislation to come along to do that, surely you should be making the case in order to have statistics which we can have confidence in, that are accurate and, for example, local government and our health service is confident that the information on which they receive their resources is accurate, or we are not going to get anywhere. We will just be having this debate going round and round. Surely a decision should be taken that the traditional census has had its day and we should now be moving on to something quite different.
**Ms Dunnell:** Yes, except that we have done an awful lot of work with colleagues across government in the last few years. We had a major part to play in a project called the Citizen Information Project. This was done in preparation for the introduction of the national identity card scheme, and the conclusion of that work, which was a very large piece of work, was that the national identity card scheme should go ahead on a voluntary basis and create a register and use existing registers, in particular the one that is used for National Insurance purposes. That is the situation that we are in in relation to that. It would be quite difficult, I think, for the ONS to make a case to Parliament on its own that something like this was necessary. Maybe that will change in the future but until we have something which is actually there and we have a requirement that people change their address and notify somebody when they leave the country, we are not very confident that a register will be suitable for the kinds of purposes that we need to measure the population every year and have a benchmark every ten years.

**Q204 Nick Ainger:** Sir Michael, do you think this should be the first thing which the Statistics Board should be looking at? At the end of the day, because of changes in society, because of migration, we have a far more fluid population than we have had in the past, we have homes in multiple occupation and so on, and it is very difficult to track population but because those statistics are so important to the delivery of modern government, surely a decision needs to be taken that the traditional census needs to be replaced now with something quite different. Would that be a priority issue for the Board?

**Sir Michael Scholar:** I am sure the Board will want to think very carefully about that. As the Committee knows very well, to run a census is a very expensive thing to do and if it is not effective, it is very far from being a value-for-money exercise. Listening to your questions and Ms Dunnell’s answers, what occurred to me was that you want the best means of measuring, counting the population which is available. If it is necessary, if this can be achieved by a Scandinavian type system and if that requires introducing a mandatory notification of change of address, it may be that the Statistics Board would want to grasp this nettle and propose it to Parliament. Whether the Government of the day would be prepared to introduce such a measure or ask Parliament to vote for such a measure you will know better than I, I guess, but until a system which can be used for National Insurance purposes and that we will need to build into our planning our own enhancement of the address base. That was number two. Number three was that actually you can post out census forms and people will post them back, which was an important part of the test and will inform the strategy that we have for 2011. Then, number four, the other aim of the test was to look in particular at the impact of including a question on income; did it impact on response rates to the census test? The answer to that was that response was lower where there was an income question—not hugely lower but slightly lower where there was an income question.

**Q206 Nick Ainger:** You mentioned one of the issues which was highlighted was the accuracy of the address register. We have had evidence suggesting that those organisations which have responsibility for different types of register need to have their heads banged together to actually produce an accurate register because otherwise the post-out which you intend to do is going to be very difficult. We are going to have problems there. Which are the organisations that need their heads banging together?

**Ms Matheson:** There are currently three organisations, who we are talking to directly about what we are finding and about the evidence about the quality of address registers. One of course is Ordnance Survey. The second is Royal Mail and their postcode address file. The third is the Improvement and Development Agency of local government. Each of them produce an address register, each of which has for census taking purposes and population statistics purposes some deficiencies and so we published last year a report on what we had found in the test and engaged with them about some of the difficulties. The overall policy responsibility for banging heads together, to use your phrase, is with DCLG.

**Q205 Nick Ainger:** Can we move on to some of the problems which do exist in having a successful census. The work that was done prior to the 2001 census did not really flag up any particular problems. I can tell you there was one that was not flagged up and that was the Welsh tick box, which did cause very serious problems and I think had a detrimental effect on the final outcome. You have done some tests in 2007. Has anything come out of that work, that pilot study, in 2007?

**Ms Dunnell:** Yes, I think we have learned a lot from it. Would you mind if I ask Jil Matheson to answer?

**Ms Matheson:** We carried out, as you know, a test in five local authority areas in 2007 and there will be a dress rehearsal next year and so on before the census itself. It was an extremely valuable exercise because what it showed us was several things. One was that the co-operation and collaboration between ONS and local authorities is vital to a successful census. That was one of the lessons from 2001 and we used the test almost to develop case studies of how this co-operation works. We and the local authorities involved I think have learned a lot about that and have confirmed the importance of that relationship. That was one aspect. The second aspect was about some of the process in that we did, for example, an address check in the five areas using available address registers plus ourselves checking. That confirmed that none of the available address registers are up to the standard that we need for census purposes and that we will need to build into our planning our own enhancement of the address base. That was number two. Number three was that actually you can post out census forms and people will post them back, which was an important part of the test and will inform the strategy that we have for 2011. Then, number four, the other aim of the test was to look in particular at the impact of including a question on income; did it impact on response rates to the census test? The answer to that was that response was lower where there was an income question—not hugely lower but slightly lower where there was an income question.
Q207 Nick Ainger: Do you know what action they are taking? Obviously, unless it is addressed quickly, we are going to have a major problem in 2011.

Ms Dunnell: They are not taking any further action. We work with them very closely and last year they concluded that they could not go any further with it, and I have confirmed with them prior to this hearing that they have no further plans to do anything at the moment. So we are moving ahead, as JiI explained, with our 2011 plans on the basis that we will check the three available ones with our people on the ground ahead of the post-out part of the census and we have built that into our plans. Frankly, it now is too late, I think, for the census. That is our plan now.

Q208 Nick Ainger: What estimate have you made that the post-out is going to miss households? Is there a percentage that you have worked out? Are there going to be some people, because there is not a really accurate address register, that are not going to receive a census form?

Ms Dunnell: Our objective of course is not to have people missing out. Our strategy with the post-out is to limit post-out to those types of areas where we are confident it will work and we will not be posting out to areas which we anticipate will be problematic and of course, our work on the ground, which we will do as close to census date as we possibly can, will help us to refine that information. We plan to go into the census with a complete address register, compiled from the existing ones and our own work on the ground.

Ms Matheson: If I may just add, an important part of that is, as I mentioned earlier, the work with local authorities. An important part of the approach is, in advance of the census actually sitting down with address lists with local authorities and getting their local knowledge of particular things like multiple occupation or new build, which is where some of the difficulties with the current address products is, so that we have their local intelligence built into the process before we actually start posting out or, where we need to, hand delivering the forms.

Q209 Nick Ainger: Are you not concerned at being dependent upon the efficiency of local government? I am sure every Member of Parliament can tell you that every time they go round knocking on doors with the electoral roll they are amazed at the number of gaps there are in there. If that is the basis of the information which is being provided to you, I would not put too much confidence in that. You have identified that things are more difficult than they were in the past in terms of homes in multiple occupation, large new build and so on, significant proportion in certain areas of a migrant population, and yet you are proposing to cut the number of enumerators from 71,000 down to between 45,000 and 50,000 for the 2011 census. Is that based on budget problems or is it based on some different policy that you are pursuing?

Ms Dunnell: It is based on a very detailed analysis of where we think we can actually utilise the resources that we have for the census in the most value-for-money way. JiI can describe in a bit more detail how we have come to this and how we are going to make it work.

Ms Matheson: Part of this was that in 2001 one of the real difficulties was actually recruiting all of those enumerators; having people there, ready and willing to do that kind of work in a concentrated period was a real risk. That made us think hard about enumerators, what people we need, and how we effectively use them. Part of the evidence was that actually enumerators in many cases did not make any contact with households anyway. They were actually themselves just posting the forms through letterboxes and, if you remember, in 2001 we had a post back system so that households completed their forms—a very successful system—and households posted them back. So there was not actually that personal contact in many cases. That plus one of the other things, because for all the reasons that you have said, we are anticipating that there will be some areas where enumeration is going to be difficult and there are going to be some groups where we are going to have to work very hard to get forms back. We wanted to in a very cost-effective way be able to use the enumerators that we have, pay them better than we did in 2001, train them better than we did in 2001 and use them much more flexibly, together with, depending on the kind of management information system that we are also developing, if we do find, almost in real time, pockets of difficulty, we can send enumerators there. One of the difficulties in 2001 was that sometimes we did not know there were difficulties until some time afterwards. That is why the strategy is developing as it is.

Q210 Nick Ainger: Does that mean, for example, that in rural areas you are not going to have any enumerators and that you will be concentrating your resources in urban areas where there is greater population movement or more houses in multiple occupation? Is that the way it will work, that there will be areas that will not have any enumerators or that there will be but they will be covering far greater numbers? Is that the way it would work?

Ms Matheson: Probably the latter, although I am not sure it will always match that it will be urban versus rural. It is not altogether that simple. For example, one of the groups that you missed out when you were talking earlier about difficulties are some of the gated communities that are growing up. It is actually harder for an enumerator to make contact than it is for a postal worker to be able to deliver a form. The other part of it is that there will be contact centres and anybody who wants an enumerator or needs some help in filling in the form will be able to either get that help or ask for a visit.

Q211 Nick Ainger: Coming back to what happened in 2001 and the Welsh tick box, where there was a campaign for people not to complete the form, there appears to be a growing issue around the possibility
of Lockheed Martin, an American company, obviously, having links with the intelligence services there. There appears to be a groundswell around, if they were successful in having the contract, not to complete the census form. Have you any comments on that?

**Ms Dunnell:** It is obviously something that we are spending quite a lot of time thinking about. Lockheed Martin of course did play quite a considerable role in the census of 2001, very, very successfully. They also carry out the US census or large parts of it and also had a contract to do a lot of work on the Canadian census. We do have to be very sensitive, as you say, because the census becomes a very public issue around the time of it. We do have to be very sensitive to that but at the moment the procurement process is still under way and we have not made any final decisions about who we will award the contract to.

**Q212 Nick Ainger:** I think the worry is that there is now new legislation in the United States, the Patriot Act, which would possibly require Lockheed Martin to actually provide information which they have gained through the UK census to the United States authorities. I think that is where people are now getting concerned, because it is a different legislative framework.

**Ms Dunnell:** We are having lots of legal discussions. Would you like to say a bit more about that, Jil, where we are on the Patriot Act.

**Ms Matheson:** Yes, we are aware of the Patriot Act of course and have discussed the Patriot Act with both the potential suppliers. We are in a procurement phase at the moment so I do not want to say too much more about that but we have had discussions with them and we are taking legal advice with a view to making sure that the commitment we give to census form fillers is one that we can abide by, that is, that the data are kept confidential and secure for 100 years.

**Q213 Mr Love:** There is growing evidence from electoral registration surveys of an increasing resistance among some groups, particularly in deprived urban areas, to respond to the questions, the very simple questions, that are asked. How do we make the census user-friendly for hard-to-reach groups?

**Ms Dunnell:** This is a very important question. One of the things that we are spending a lot of time on at the moment, as we have already emphasised, is working closely with local authorities and that means identifying particular groups within local areas who have organisations that we can work with, because those types of organisations tend to be very helpful in promoting the importance of the census, providing help with form filling, and will help us, I think, in our planning at local level. That is one thing. The other thing of course is to make the form as easy to fill in as it possibly can be, and one of the factors that I am sure will determine which areas we decide not to use post-out will be areas where we know there are quite a lot of people who would maybe have a problem with a big, long, English form dropping through the letterbox. That I am sure is one of the factors that we will take into account so that we will have people on the doorstep offering to help with form filling. Also, we are paying a lot of attention to the design of the form because experience shows that it is the design and layout of the form and the accessibility of the language which is in some senses more important than the length of it. The other thing we are doing, of course, is planning a very large publicity campaign around the census which will address all the kinds of issues about why it is so important, how confidential the information is, and this will obviously be targeted at groups which we know are less likely to respond.

Then, of course, on the ground we will have quite intensive follow-up of people who do not send the form back, because we are planning to have a much better real-time management system which will tell us who has not sent the form back after a week, two weeks and so on, and we will also have call centres which are able to help people who have particular problems. That is, I think, most of it.

**Q214 Mr Love:** You are going to need it all.

**Ms Dunnell:** We are indeed.

**Q215 Mr Love:** Can I come on to the length, because you touched upon that? In a recent parliamentary answer you gave you indicated that you had enough finance for three pages for the census form but that there may be some priority questions that you might not be able to include. Have you resolved that issue and which way will it go? Are you going to get all the priority questions into three pages or are you going to be financed to stretch into four?

**Ms Dunnell:** Again, it is rather like the question I was asked at the beginning about the extra money for migration. We do need an extra £25 million to have a fourth page and this is something that we are working very closely with departments and the Treasury on finding a way round.

**Q216 Mr Love:** Do you consider that a priority?

**Ms Dunnell:** Yes.

**Q217 Mr Love:** In other words, you need more than three pages to ask all the questions?

**Ms Dunnell:** We believe that actually we do need more than three pages, partly for the reasons that your colleague raised, that at the last minute, if you get a group of people jumping up and down about something like a tick box, which I think might happen about the carers question, for example, which you are all getting many letters about, it compromises the whole thing. As a team, we are pretty convinced that we need the four pages and we are engaged in the final stages now.

**Q218 Mr Love:** When will you get an answer to that?

**Ms Dunnell:** In the near future. I hope.

**Q219 Mr Love:** What does that mean? Three months? Six months?

**Ms Dunnell:** Less than that. We need the answer sooner than that and everybody knows that we do.
Q220 Mr Love: Can I ask you about the trade-off? To come back to my original question? There is obviously to some extent a trade-off—and I know you can do it with layout, making it simple—between length and the return that you will get. How are you trying to deal with that?

Ms Dunnell: Actually, in the test that we did in 2007 we found that there was very little difference in response between a third page and a fourth page because we did test the different lengths. We are pretty confident that the four-page one will work. The temptation of course—and this goes back to an earlier answer I gave you—is to cram all the questions on to the pages regardless. That would still cost extra money because it is extra processing, but it does not increase things like printing and postal costs and so on. Our evidence suggests that it is not a good idea to cram all the questions on to these three pages because we then get lots of what we call question non-response; people will skip questions or misread instructions, and that is no good either.

Q221 Mr Love: I have just tried to fill in a bank form and that was bad enough, I can tell you. You do need to keep it simple. If you cannot get the fourth page and you do not want to cram, what criteria are you going to use as to what is in and what is out? What will be the most important features for you?

Ms Dunnell: The most important thing about the census is to actually get our count of the population right. Maybe, Jil, you can talk a bit about the other criteria. That is our key one.

Ms Matheson: We have had lots and lots of public consultation about this and set out a set of criteria that we will use to judge what we will recommend is in and out. The first one, as Karen says, is does it contribute to understanding and counting the population. That is priority number one. The other criteria are, are there alternative sources? Are there other places, either from surveys or administrative data or wherever, where that information can be provided? Is the information required at very small geographic levels? That is what the census does that no other source can do. Is it required in order to understand something in relation to other things that are on the census, i.e., is it a freestanding piece of information that could be collected in another way or is it integral to the census itself? There is a whole set of criteria. Acceptability: will people answer?

Q222 Mr Love: Let me ask you two questions on that list of criteria. You talked about the small area of statistics that are not available anywhere else and we have talked to others about the importance of that. I represent a London constituency where turnover of population is very high, so the statistics you are talking about are out of date within two years. You have hardly published them before they are out of date. What is the problem that people that would normally use the statistics when they get five, six or seven years out? Whereas they can use those statistics, they do not have any confidence that they are now accurate.

Ms Dunnell: That is one of the reasons we believe why the census is such an important baseline to do, at the moment, every ten years and that is why increasing the effort that we put into population estimation in between, particularly capturing all this information about people coming into the country, is so important.

Q223 Mr Love: But you do not think there is another way of capturing those small areas?

Ms Dunnell: Again, if we had really good administrative data which registered people's changes of addresses, that would be very helpful but that is exactly what we do not have. For example, at the moment we use the National Health Service registers to determine movements within the country. That is, after many years of research into different registers, the best possible source that we have at the moment but it is dependent on people registering their change of address and re-registering with a doctor when they move and, as we know, there are certain groups of people who do not bother to do it until they get ill maybe ten years down the line. This is why our programme of looking into administrative records is so important and why we are of the view which we have expressed that until we have much better mechanisms for recording change of address in these big registers, they are not helpful for even internal migration.

Q224 Mr Love: The other question we keep asking people is what is the most important thing and overwhelmingly they say they want to get population accurate. Is that the overwhelming priority?

Ms Dunnell: Absolutely.

Q225 Mr Love: If so, should we really be dispensing with some of the complexity of the form?

Ms Matheson: I think there are two things. It is the overwhelming priority and one of the reasons that we think we need a fourth page is because we need extra questions in the three pages in order to reflect that new complexity: second homes, citizenship and all of those other things that we really need in order to be able to understand the population, some of which we did not include in 2001. The other part—and this goes back to your earlier question about the potential trade-off between response and length—we carried out a postal test last year of 10,000 households, so it was a good size, and showed no difference between response where there were three pages per person and four pages. That mirrors international experience. One of the things that is important that a fourth page would allow us to do is to do something which I think will help with response, which is relevance, making sure that in there there are questions that are really important and really valued and that you can explain why they are there, such as carers, and that are relevant to those groups in society is a benefit of having a fourth page.
Q226 Mr Love: This is coming back to a question that Mr Ainger asked earlier on, and that is about public confidence, not for the reasons he suggested but you will know that there have been large-scale leaks of confidential information from government over the last few months. Do you think that calls into question public confidence? Will people be prepared to give you what is in effect quite confidential information based on their experience so far with these leaks? Perhaps I can also ask Ms Dunnell first and perhaps Sir Michael would like to respond as well.

Ms Dunnell: Obviously, we are extremely concerned about the loss of data from government departments and of course we have all been charged by Sir Gus O’Donnell to put our house in order and it is very reassuring when we have done a very extensive emergency audit to find that in fact we are in the clear there. That is very reassuring. The other thing that we were very concerned about, because of course we have nearly 1,500 interviewers out in the community all over the UK every day, collecting information on things like the Labour Force Survey and the General Household Survey, that actually our response rates were not affected by these losses, which we thought they might be. That is, of course, largely down to the skills of our interviewers in explaining the confidentiality of the information that they provide. Of course, that is much harder to do on something like a census, although of course you do have that opportunity to have a really big national campaign about it. It obviously is a major concern and making sure that everybody understands the confidentiality with which we hold census data is a very important part of that big public relations exercise. We are not underestimating how difficult it is but hopefully time will be on our side and we will not have a crisis like we have had just recently in 2011.

Q227 Mr Love: You mean we will have all forgotten about it by then. Can I ask Sir Michael about security? Is there a need for greater security to reassure the public and is that something you will look at?

Sir Michael Scholar: I think the maintenance of public trust in the confidentiality which the ONS and statisticians generally in government treat the information they get from the public is of vital importance. The events in the last few months have no doubt dealt a blow to that confidence and I very much hope that the Government can recover from that and regain the confidence which is so necessary.

Q228 Ms Keeble: I want to ask a bit about confidence. Sir Michael, you implied just now that it was down to the Government to regain confidence but in terms of the census, is it not down to yourself to be able to ensure that the public and also your customers have confidence in the census results?

Sir Michael Scholar: Yes.

Q229 Ms Keeble: How do you intend to achieve that?

Sir Michael Scholar: You are absolutely right. After 1 April it will be the responsibility of my Board to secure that confidence and maintain it. At the moment, of course, it is the responsibility of government because the ONS reports to Ministers and through Ministers to Parliament but I am quite sure that my Board will take this very seriously. I certainly do.

Q230 Ms Keeble: Can I just ask, Karen, just now you set out quite a comprehensive work programme in terms of what had to happen—it is pretty basic stuff, whether it is a three or four-page questionnaire—how you engage with different authorities and so on to get the hard-to-reach groups. Do you have a critical path programmed out for that? Is that formally mapped out and set out?

Ms Dunnell: Our whole strategy for ensuring response? Yes, it is.

Q231 Ms Keeble: No, I mean for actually delivering the census.

Ms Dunnell: Yes, it is all part of the very detailed planning. Jil, can you say a little bit more about that?

Ms Matheson: The census planning is being done under normal project management arrangements and there is a critical path and a set of deliverables between now and 2013, when the results finally . . .

Q232 Ms Keeble: With the kind of traffic lights?

Ms Matheson: Yes, we use the traffic light system.

Q233 Ms Keeble: Who is in charge of that? Who formally heads up that particular process?

Ms Matheson: There is a senior responsible owner, supported by a project director and the normal techniques of project management.

Q234 Ms Keeble: Has there been a change in staff there recently?

Ms Matheson: Yes, there has.

Q235 Ms Keeble: The director in charge of it? When was that?

Ms Matheson: About two weeks ago.

Q236 Ms Keeble: But the new person presumably is going to carry it through?

Ms Matheson: That is the intention. Indeed, that is the commitment, that he will be there until the census is delivered.

Q237 Ms Keeble: Are you satisfied with that process? You are satisfied you have the personnel, and the experience and the skills there now to deliver it?

Ms Matheson: Absolutely, yes.

Ms Dunnell: That is one of the things that we recognized early on in our planning, that we would need a Director-level post to lead that work and that person is in place and is now on our Management Board.

Q238 Ms Keeble: So you did not have somebody before?
Ms Dunnell: We did not have somebody at that level. We had Jil at that level before she got her recent promotion but she did the census plus a lot of other things and we now have a Director level person whose sole job is the census, which was always the plan.

Q239 Ms Keeble: This is no comment on Jil’s work, clearly, but do you think that you had enough attention, if you had one person doing this and quite a lot of other things at the early stage of the delivery of the 2011 census? With hindsight, do you think she was overloaded?

Ms Dunnell: She is a very capable person. I do not think she was particularly overloaded and we had always planned to have a person at that level when the time came. The time came and we found that person.

Ms Matheson: Can I just add to that? I will not say whether I was overloaded or not but it was also, again, looking back to 2001, and the full-time Director-level post is now in place a lot earlier than it had been before the 2001 census.

Q240 Ms Keeble: Have you hit all the points on your critical path? Do you have all the traffic lights green that you should have?

Ms Dunnell: At the moment, yes, we are doing quite well. Our most important one coming up is the procurement to finalise who is going to take forward this big task, and we are expecting to get to that point in May. We have an OGC check coming up just before that, so we are working very, very hard to make sure we get through that.

Q241 Ms Keeble: You said just now that you are going to rely on local authorities to deliver some of the details of what you needed with the hard-toengage groups. You said previously also that the lists provided by the local authorities were not adequate. What is the position there? Since you can get computer programmes that will do some of the work on hard-to-reach groups and where they are, could those not be used?

Ms Dunnell: We are not relying on local authorities to do this. What we are doing is working much more closely with them than we did in 2001 because, of course, they are the main users of the results at the end of the day and the first people to jump up and down and complain if they think we have not got the answers right. So we are working very closely with them on whether they have data sources that can help us plan the census and whether they have data sources that can help us quality-assure them and whether they can do all those things like help us find enumerators, identify community groups, provide resources and so on. That is the kind of thing we are doing. We are not just handing the problem over to them.

Q242 Chairman: Just clarify for me the total amount that you got in the whip round the other departments? You got the £25 million for the fourth page but that is not the total of your bid?

Ms Dunnell: For the census?

Q243 Chairman: For the additional money that you were short of.

Ms Dunnell: The additional money for the census, yes.

Q244 Chairman: You only need £25 million in total?

Ms Dunnell: Yes.

Q245 Jim Cousins: Ms Dunnell, can I take you back to the point you made about the fact that you had 1,500 interviewers going out day by day? How many of those people experience abuse, verbal or physical, in the course of their work?

Ms Dunnell: I do not actually have the figures to hand but what I do know is it is quite rare actually. They are very highly trained. I think they probably get more difficulty from dogs than people actually. We do, of course, send letters in advance saying that somebody is coming, so if people really have a very strong aversion to somebody coming round to interview them, they tend to phone up or write in so that we can prevent it. It very rarely comes to my attention that they have difficulty.

Q246 Chairman: I think the Committee would probably be grateful for any hard information about that.

Ms Dunnell: Yes, we can certainly do that for you.¹

Q247 Chairman: Do you get any reports through your permanent team of interviewers of neighbourhoods where they do not feel safe?

Ms Dunnell: Yes. We have an awful lot of inside information about that because interviewers, by and large, get used to the areas that they work in, so they develop an enormous amount of local knowledge about how to get into gated communities, how to get through security systems, what are good times, etcetera. As I said, we do write out to people in advance so that if there are problems we try, where we can, to get telephone numbers and so on. An awful lot of their training is in how to actually find people in difficult circumstances. We are using some of the information that our interviewers have, of course, on the Census to identify just those areas where we need to put extra resources in.

Q248 Jim Cousins: Just to be clear about this, you are saying that there is some information you have about areas where interviewers do not feel safe. You just now made reference to the use of telephone numbers. Do you accept that the number of people who have declared information about landlines is now going down rapidly?

Ms Dunnell: Yes, we do believe that the number of people who have landlines is going down.

Q249 Jim Cousins: Not the people who have a landline, but the people who have a landline and are prepared to have the number made available.

¹ Ev 282
**Ms Dunnell:** Listed, yes. That is definitely going down and we do not rely on it. What I am referring to is that when we write out to people, if people are going to have a problem helping us then we encourage them—

**Q250 Jim Cousins:** What percentage of people have landlines?
**Ms Matheson:** 90% of households have a landline and that has gone down.

**Q251 Jim Cousins:** How many of those landlines are, as it were, open access landlines where the information is declared?
**Ms Matheson:** I do not know.

**Q252 Jim Cousins:** I would be grateful if you could get that information for the Committee.
**Ms Dunnell:** The proportion of them that are x-directory is what you are looking for?

**Q253 Jim Cousins:** Yes.
**Ms Dunnell:** I am sorry, we do not know that offhand.²

**Q254 Jim Cousins:** Do you accept that the areas where people are, for a variety of reasons, hard to measure, where there is considerable churn and transience of population, and where there is a great deal of volatility about the numbers of people, are not spread randomly across the country, they are concentrated into particular local authority areas, particular neighbourhoods?
**Ms Dunnell:** Yes.

**Q255 Jim Cousins:** What impact does that have on the margin of error of your overall statistical information, particularly about mid-year estimates?
**Ms Dunnell:** We have just published indicators of churn which suggest that some local authorities are experiencing more than a quarter of their population changing each year and relatively stable communities where it is 5% or less. There is a huge deal of volatility about the numbers of people, are not spread randomly across the country, they are concentrated into particular local authority areas, particular neighbourhoods.

**Q256 Jim Cousins:** What is the margin of error about the mid-year estimates bearing that point in mind?
**Ms Dunnell:** What we know about our population estimates is that there is three elements to it: births, deaths and migration. As we have discussed, the migration of all of those is the one we estimate rather than count because births and deaths we have 100% registration of in the United Kingdom so we can be absolutely sure about those. Migration is something that we have to estimate based on samples. Obviously we are less confident in statistical terms about that. The interesting thing is not only has international migration increased but also so has internal migration, which is why we are very interested in tapping into other sources of information which will help us get a better picture of who is where local authority by local authority.

**Q257 Jim Cousins:** So what is the overall margin of error in your mid-year estimates of population and does that vary according to the area?
**Ms Dunnell:** Yes. It will vary by area because—

**Q258 Jim Cousins:** What is the margin of error and how much does it vary?
**Ms Dunnell:** I am not sure that we have got exact measures of this because it is very, very complicated to do and I am not sure that we have got the methodological wherewithal to do that. We do acknowledge that it is the migration part of it which is the most difficult to establish. This year, we have only just introduced the new method of apportioning international migrants using the Labour Force Survey. I think what we can do now is a bit more work on trying to establish the reliability of that in statistical terms.³

**Q259 Jim Cousins:** I want to come to that, but before I do I just want to be clear about this. You have just set out very clearly the difficulties you have with certain key factors in components of the population and you have just told the Committee you do not have any sound margin of error for your mid-year estimates, nor how that margin of error might vary taking into account the factors that you have just referred to, that you do not have that.
**Ms Dunnell:** We do not publish estimates of the statistical error, no.

**Q260 Jim Cousins:** You do not publish it, that is one thing, but do you have it whether or not you publish it?
**Ms Dunnell:** No, we do not because we are constantly changing the methods, especially at the moment, by which we input into the population estimates. This is something which we will take away from this meeting and think about but it is very, very complex methodologically because the data is coming from such a huge variety of sources and each of the sets of data has a different level of reliability so, yes, it will depend very much on which element of change is present in each local authority.

² Ev 283

³ Ev 286
Q261 Jim Cousins: Sir Michael, that is something you might care to bear in mind for the future. I think that is an important point, that we do not have a margin of error. Can I bring you to this Labour Force Survey adaptation of the migration figures. My attention was drawn, because it happens to be a submission that the Committee has had from my particular part of the country, I represent the City of Newcastle in the North East of England and the North East of England is the smallest region—there is an issue about whether the north of Ireland is a region or a country and I am not getting into that, but the North East is the smallest region—to the fact that the number of contacts relevant to international migration using the Labour Force Survey in the North East, which is a small region, is tiny. It varies between six a year and 24 a year over the last six years for which we have had any information. That is six cases. Wales, which is also a small region, has similarly small numbers, but in the case of Wales the pattern of the answers does not vary. In the case of the North East you have a very small sample, a tiny sample, and the results vary quite a lot from year to year. There is a 70% variation in these six to 24 cases over six years. The effect in the latest three year estimates, based upon these six to 24 cases, is to reduce the population of the North East by roughly 9,000, but because the impact of international migration in the North East is heavily concentrated on the City of Newcastle almost all of that regional variation hits the city of Newcastle. 6,000 of that roughly 9,000 reduction hits the City of Newcastle. Surely that is not a sound or robust method of calculating the real impact of migration. I am not here asking how you do it statistically because I can understand that, what I am saying is the result is to produce a huge margin of error.

Ms Dunnell: I think you are actually talking about the International Passenger Survey that is based on those small numbers. As I said at the beginning, out of the 90 million movements in and out of the country we have to identify migrants and sample them and that is based on what we have already accepted is not a large enough number, which is why we are now boosting the numbers. What we are now doing with the Labour Force Survey, given that we are reasonably confident about the total number, the net migration in the UK, we are now using the Labour Force Survey to apportion them between local authorities.

Q262 Jim Cousins: The information I have just given you is precisely in the Labour Force Survey.

Ms Dunnell: Okay.

Q263 Jim Cousins: It is precisely after you have made those changes.

Ms Dunnell: Okay.

Q264 Jim Cousins: Right?

Ms Dunnell: Right.

Q265 Jim Cousins: So you agree that is a serious point?

Ms Dunnell: I do not know exactly what you are referring to there. What you are saying is we have identified six migrants in the LFS, recent migrants in the LFS. It is very hard without looking at what you are looking at to see exactly what it is.

Q266 Jim Cousins: In the case of the North East, each year in the LFS there is a discovery of between six and 24 international migrants in the LFS Survey in the North East.

Ms Dunnell: Right.

Q267 Jim Cousins: On the basis of that, the overall population of the North East is being reduced by 8,500 and 6,000 of that reduction is being attributed to Newcastle. That cannot be a sound or robust method of being so sure about those things now, can it?

Ms Dunnell: Have you got any more information?

Ms Matheson: I have not without looking at the numbers.

Ms Dunnell: We will have to look at that in detail.

Q268 Chairman: I think we will need a note on that.

Ms Dunnell: We will come back to you on it.4

Q269 Jim Cousins: Now we move on from the difficulties of arriving at the information to how that information gets used. We have had a number of representations from local authorities on this point. Do you think, and I am not here asking the statistical difficulties of arriving at the information to how that information gets used. We have had a number of representations from local authorities on this point. Do you think, and I am not here asking the statistical margins of error, which clearly are potentially quite great in this, it is a sound method for allocating resources through the Department of Communities and Local Government or through the Department of Health to use information based on this kind of data?

Ms Dunnell: That is really up to DCLG to answer. I would say that the Office and its predecessors have been doing population estimates for many, many years and they are based on data that are available. At the moment we are working very, very hard to improve them. It is not just the total numbers in the population that are taken into account in these formulae, as I think I explained earlier, lots of other factors about areas are taken account of in the formulae.

Q270 Jim Cousins: Let us just consider those two departments, DCLG and the Department of Health. The Department for Communities and Local Government used to allocate resources annually with a post-dated correction for new population information as it became available and there were data changes which were retrospective, so there was a built-in method of adjustment. The method from this year that the Department is using is in a three year slab which does not change, so in the year 2010–11 the Department for Communities and Local Government will be allocating resources on the basis of the mid-year estimate of populations of 2004 projected forward for those years with no

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4 Ev 283
system of retrospective adjustment. Do you think that is a sound method for distributing resources fairly?

Ms Dunnell: It is not up to me to judge what decisions my colleagues in DCLG—

Q271 Jim Cousins: What margin of error will there be by 2011 based on such methods of doing things?

Ms Dunnell: We would have to go away and try to estimate that.5

Q272 Jim Cousins: I would be grateful.

Ms Dunnell: What they have done this time, which they do not always do, given they have decided to give people a three year settlement, is to use projections which do take account of the future changes in the population. What they have not done is wait to do that until we had the latest population projects, but we were in contact with them about that obviously.

Q273 Jim Cousins: Let us look at the Department of Health then. In the current year, 2007–08, the Department of Health is allocating resources to primary care trusts. They have a complicated system of weighting but the raw population data is done in this fashion: they take the 2003 population projections for the relevant year and adjust it for the 2004 transfers across areas using GP registration data of a completely different kind. For the forthcoming year, 2008–09, the Department of Health has chosen to freeze all of this data and they are simply going to carry the same information forward to 2008–09. So the Department of Health will be allocating resources to primary care trusts in 2008–09 on the basis of 2003 estimates projected forward, adjusted by the 2004 changes between areas on the basis of GP registrations. Does that strike you as being a sound basis for arriving at a correct impression of the population in 2008–09?

Ms Dunnell: It may not have been the one I would have chosen but the Department of Health have an awful lot of information about patients in their own systems and they have decided to do it their own way. The only thing I can do is talk to their chief statistician and see what impact he has had on the whole matter, but their funding decisions on allocation are not something that they regularly consult us about. They consult us about what we think about the estimates and projections that we produce each year.

Jim Cousins: If you were able to do that and report it back to us, that would be very helpful to us. Thank you.6

Q274 Chairman: Professor Rhind told us that there was some concern that local authorities had a vested interest in finding ways to increase their population count. How do you ensure that particular local authorities, given some of the problems last time, are not all in the game of actually inflating their population count at the edges where they can?

Ms Dunnell: That is exactly why we are very, very clear that when we do our annual population estimates we actually use a method which is comparable for every single local authority across the country and why, when we talk about working very closely with local authorities, this is not so that they can influence our numbers and why we are very keen to work with them to identify new ways of using administrative data but we are not prepared to accept a figure on this from one local authority which may be on a very different basis from another local authority. We will uphold the provision of estimates that are based on the best methodology that we can do given the data sources that are comparable across the country.

Q275 Chairman: Coming back to the questions asked by Nick Ainger, what are the barriers to the adoption of a system that is more based on administrative records rather than the Census? I think the National Statistician mentioned “cultural barriers”. What are the barriers? There are legal barriers presumably.

Sir Michael Scholar: I think there were some important legal barriers which are potentially removed by the 2007 Statistics and Registration Services Act. That Act provides gateways for opening up some barriers between government departments which until now make it difficult or impossible to communicate administrative information from those departments to the ONS. I think that one of the streams of work coming out of the 2007 Act will be to identify in a list of priorities for moving and seeking to put to Parliament a case for opening up this or that gateway.

Q276 Chairman: So there will be an incentive for the Board to get on and identify where data could be shared?

Sir Michael Scholar: Absolutely. From the evidence that you have heard this afternoon, and I have been listening to, it is clearly of the first importance for improving the UK’s statistical system that we should make the maximum use of administrative sources, not only from the point of view of accuracy and coverage but, I also suggest, from the point of view of cost-effectiveness.

Q277 Ms Keeble: Just looking at the construction of the Board, there was a proposal that you should have somebody from a commercial background as a non-exec. Has that actually been achieved?

Sir Michael Scholar: Yes, indeed. There are two people on the non-executive cadre of the Board who have that kind of background. Lord Rowe-Beddoe of Kilgetty has a distinguished career in business, both behind him and he is currently involved in a number of businesses here and abroad, and Partha Dasgupta has, until very recently, held an executive position in a financial institution in the City of London. So there you have two people who have current and very recent business experience.

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5 Ev 286
6 Ev 286
Q278 Ms Keeble: They only meet formally in April as a Board, is that right? Have you met informally as a group?
Sir Michael Scholar: No. I think it was before you came into the room that I mentioned the first meeting of the Board is on Saturday 2 February, this coming Saturday. It is our first meeting of any kind and we are planning two further meetings before April. I say they are formal meetings, they are formal meetings of the Shadow Board because the Board does not exist until 1 April. We are having those meetings first of all to be able to respond to the various pieces of consultation which the Government has launched and seeks our view on, and also to be ready to hit the ground running on 1 April.

Q279 Ms Keeble: One of the things you have got to respond to is the pre-release consultation with the Government, is it not?
Sir Michael Scholar: Yes, it is.

Q280 Ms Keeble: What is your thinking on that?
Sir Michael Scholar: I have already responded personally about that. I am sure you will recall that when the Treasury Committee interviewed me in July prior to my appointment—

Q281 Ms Keeble: I was not present for that one, I was away.
Sir Michael Scholar: The Chairman asked me that very question and my reply to him was to say that I thought it would be better if the power to determine pre-release arrangements had been given to the Board rather than retained by the Government, but since that is a feature of the legislation, and it is therefore not in any way in the short-term alterable, I said I felt that the announcement made by the Prime Minister in early July that pre-release times would be reduced to a uniform 24 hours was an improvement on the pre-existing situation but did not go far enough.

Q282 Ms Keeble: So what would you like to see?
Sir Michael Scholar: I think I said, and recently reiterated when the Government produced their pre-release consultation document, that I thought we should be in line with the very best international practice and that suggested certainly no longer than the three hours which I think this Committee itself recommended a while back.

Q283 Ms Keeble: In terms of the many very onerous tasks that are going to confront the new Board, what do you see as being the priorities?
Sir Michael Scholar: The priority is to try to rebuild trust in UK statistics. At the beginning of this present session I think it was Mr Ainger who referred to the fact that in a recent piece of work commissioned by the European Commission the UK came 27th out of 27 in terms of public trust in its statistics and that is a very deplorable number. It points to the same conclusion as the survey carried out by the ONS a couple of years ago. It seems to me that our first priority has to be to try to remedy that deficiency and to restore public trust or rebuild the public trust in UK official statistics.

Q284 Chairman: Just on the structure of the Board, will one of your deputies have particular responsibility for looking at the population count in the Census or is that something that you are going to take the lead on yourself?
Sir Michael Scholar: That will remain to be discussed by the Board. Initially I have indicated that one of the deputy chairmen would have particular responsibility for the management of the ONS and the other would have particular responsibility for the assessment and monitoring of the whole statistical system, the former being David Rowe-Beddoe and the latter being Professor Adrian Smith. How we will fit particular important topics into that pattern I am not yet quite clear.

Q285 Ms Keeble: On the issue of the management, are you going to look at the whole issue of the management and the locations of staff? Are you going to reopen that issue?
Sir Michael Scholar: The Board is charged with the duty of managing the ONS, that is clear, that is in the legislation and that is one of our important tasks, and if you are managing an organisation you have to have regard to its location, its premises, its retention, its recruitment and so on and so forth, and I think the Board is bound to consider all these issues.

Q286 Ms Keeble: Although it is only a Shadow Board and you have not got formal responsibility, when you look at what is happening at ONS and you look at issues around the confidence that people have in the statistics, are you satisfied that the current arrangements are proving satisfactory or do you feel there is an issue about the location of staff and confidence?
Sir Michael Scholar: I hope you will understand me if I say I do not feel at the moment that I want to say I am satisfied about anything. I have not really started yet and I have not met my Board. I have not had a discussion with the Shadow Board. Before I meet the Board I think it would be foolish of me to say that I am satisfied with any feature of the present arrangements.

Q287 Ms Keeble: Does that mean it is all up for grabs?
Sir Michael Scholar: No, it does not mean that. It means that we are going to go about our work in a serious and deliberative way and I am not going to respond to questions and give snap judgments about what is going well and what is not going well and what should happen and what should not happen. I would like to consider these things properly with my colleagues and then reach conclusions.

Q288 Ms Keeble: But you must accept that there is pressing public interest in this because it is an issue that has been open to debate for a very considerable period of time and about which there have been concerns expressed, and that there are very
profound implications in terms of confidence in statistics which earlier you said you thought was down to the Government to address, and also that part of the point of having the new arrangements was proper accountability to the public. People will want to know, and I suspect they will want to know sooner rather than later, what is happening, and that is just because it is important. People want to know what is happening.

Sir Michael Scholar: I accept that. Perhaps I should just make absolutely clear what I said so that there is no misunderstanding about it. I was not saying it is the responsibility of Government to rebuild trust in statistics. It will be the responsibility of my board after 1 April to do so, but it is not yet our responsibility. At the moment it remains with the Government until 1 April and so I am afraid I am not going to answer every question that you just put to me. I do not think it would be right to do so.

Q289 Ms Keeble: The fact remains that these are issues that people have been concerned about and are absolutely critical to things like the inflation figures and to all kinds of things that affect people in their day-to-day lives. There have been a lot of questions asked about this. This meeting is a public meeting and it does give you an opportunity as an incoming person in charge of this area to say what your views are. It is not unreasonable to think that you might want to give some indication as to what your thinking is on these very critical issues, which are critical to my constituents as well as to the staff of ONS.

Sir Michael Scholar: I accept that they are very important issues, absolutely, and I accept—I do not just accept; I insist—that my board will very quickly grapple with them and you will very quickly find that after 1 April the board will be expressing views on the important issues which you have just raised.

Ms Keeble: A week is a long time.

Q290 Chairman: You are not implying that questions from this department are unreasonable, I hope.

Sir Michael Scholar: I certainly do not wish to imply or say that.

Q291 Jim Cousins: I wonder if I could just ask you this. Have you given any consideration to your reporting or accountability to Parliament for your work, because we have got two strikingly different models? We have got, as it were, the traditional model, which is an annual report covering everything you can think of, published usually well into the year following the year referred to on the one hand, and on the other hand we have got the Monetary Policy Committee, which is almost real time. Those are two strikingly different models and I wonder if you have given any consideration to what sort of model you would be likely to adopt. I would not be devastated if you told me no, you have not, but it would be useful for the Committee to know when you are going to reach conclusions about that so that we can guide our parliamentary colleagues.

Sir Michael Scholar: I have thought a good deal about that, actually, and I have had discussions with a number of members of this House and also members of the House of Lords about it. I have expressed the view that it is absolutely vital that there should be strong parliamentary scrutiny of the work of the board and at the same time support for the board in Parliament. If the board does its job properly it will sometimes find itself in conflict with departments and with ministers and if that should arise it will require strong parliamentary scrutiny to bring these issues into the open so that Parliament and the public are aware of what in the board’s view it is necessary to do to improve UK statistics in the way the board desires. I put it in that general way. I have also put it in a more specific way to some of your colleagues, that it would be very helpful if there were a committee which specialised in the work of the board, a statistics committee, which no doubt would meet quite often, perhaps not exactly in real time, to use your phrase, but would meet quite frequently so that the board’s output could be subject to timely scrutiny. The response I have so far had is that the channels that consider these matters in the House of Commons are perhaps unlikely to agree with that suggestion and will suggest that the board’s work is dealt with by the various departmental select committees which exist already, including, of course, most importantly, the Public Administration Select Committee, to whom the board would naturally principally report since the ministerial responsibility for the board is being switched from Treasury to the Cabinet Office. If that were the decision I am bound to say that I would be disappointed because I think there is great merit in a committee of Parliament developing expertise and having a focused responsibility for statistical matters.

Q292 Jim Cousins: That is very helpful, Sir Michael, and gives us something to think about in our own discussions, but can I put it to you: will it be your view that it is up to Parliament to scrutinise and ferret these things out or will the board itself, if it has a matter of concern about something topical, flag that up?

Sir Michael Scholar: The latter, certainly. I think it will be the board’s duty to discover where there are deficiencies in UK official statistics and in the handling of those statistics, and to bring those directly to Parliament’s attention.

Q293 Jim Cousins: So it will be your intention to report to Parliament?

Sir Michael Scholar: Absolutely.

Q294 Jim Cousins: Not just, as it were, annually, but when you feel that there is a matter of concern?

Sir Michael Scholar: If Parliament will listen we will report to it.

Jim Cousins: Yes. Parliament will listen. Nothing gets the juices running in Parliament more than the atmosphere of the Roman arena, but how hard it is, Sir Michael, sometimes to tell the Christians from the lions.
Q295 Chairman: A final question from me. Karen Dunnell, we should have asked you about the Home Office e-Borders programme. How much assistance will that be in ensuring robust population estimates?

Ms Dunnell: We believe that it will be a help. It will not provide all the answers but it will give us information about who is leaving the country and who is entering the country. Of course, before it will become useful we will have, together with the Home Office, to do a lot of analysis to identify different patterns of movement that will help us to make better estimates but it will be the first time that we have actually had, as it were, a 100% count of these movements.

Q296 Chairman: But the Bank of England suggested that only a representative sample would be needed at first. Do you agree with that? Will you have a sample before 2009?

Ms Dunnell: Sorry—a representative sample of what?

Q297 Chairman: A representative sample of those coming in and out.

Ms Dunnell: That is what we intend to do through our International Passenger Survey and that is what we are at the moment increasing the sample size of to get a better fix on this issue.

Chairman: We need to leave it there. Thank you all very much.
Wednesday 6 February 2008

Members present
Mr Michael Fallon, in the Chair

Nick Ainger
Mr Graham Brady
Mr Philip Dunne
Ms Sally Keeble

John McFall
Mr Mark Todd
Peter Viggers

Witness: Angela Eagle, MP, Exchequer Secretary to the Treasury, gave evidence.

Q298 Chairman: Could I welcome you back to the Sub-Committee? Perhaps you could formally identify yourself for the shorthand writer?
Angela Eagle: I am Angela Eagle, Exchequer Secretary to the Treasury.

Q299 Chairman: When Karen Dunnell gave evidence to us last week, she said that ONS had identified two areas for additional funding where she needed extra money straight away. One was the census and the other was the improvement of migration statistics. How much do ministers think she needs for each of those two things?
Angela Eagle: The settlement for the ONS and the new Statistics Board, which you will be aware is five years, not three, has been done outwith the normal CSR process and did provide a generous settlement, certainly when you compare it to the other Chancellor’s departments for this. It provided extra money for work on migration statistics and regional statistics particularly, developing more accurate measures of gross value added at regional level. There is already some scope in the settlement that has been made but on top of that the work that Karen has done, particularly on the proposed fourth page of the census, we all agree would cost about £25 million and some extra for changes to migration statistics on top of the additional millions that were put in the CSR settlement, so it is of that kind of order.

Q300 Chairman: I am trying to distinguish between the two here. She wants £25 million. She explained to us about the fourth page and how some of that might be recouped from other departments, but she also said she needed more money to improve migration statistics. How much more does she need for that?
Angela Eagle: There is not a specific amount for that that has been identified in quite the same way, but certainly it is important to know that in the CSR settlement and in the settlement letter there is explicit reference to extra funding that has been given. I think it is around three million a year for improvements in migration statistics. She is now saying that she needs more to add sophistication to migration statistics and we are certainly looking to see what we can do about that.

Q301 Chairman: You see perhaps why we are puzzled. We had the CSR settlement, a five year settlement, fixed for the longest period ever, announced in October and we had the national statistician coming to us at the end of January saying it is not enough. I quote her: “We have recognised we do not have quite enough money.”
Angela Eagle: On the fourth page, the original bid for the five year settlement which is outside the CSR period to reinforce independence, the view at that time because of work that had been done by ONS was that there was going to be a three page census. My understanding is that as a result of some of the piloting that was done it became clear that having a fourth page on the census would not reduce the propensity of people to respond to it. The assumption, when the bid was originally made, was that there was some kind of trade off between length of the census and response rates. The pilots which happened subsequent to the bids brought back the result that you could have a fourth page without having any serious diminution of response rates. Given that new information, I think people then started to look to see whether a fourth page was worthwhile. I think it is important to say that whether we have a three page census or a four page census I am confident we will have a robust and useful one, but at the moment I am looking with other colleagues in government to see whether we can fund the fourth page.

Q302 Chairman: At the same evidence session, the chairman designate of the new Board, Sir Michael Scholar, told us that if there was not sufficient funding provided then the Board would have to consider restricting the type of statistics that ONS provide to government departments. Are you aware of that?
Angela Eagle: I read his evidence. I was not aware he was going to say it before he did but I think that is probably the role of the new independent chair of the Board. I think it is important also to remember that the Statistics Board has had a very generous settlement in their five year settlement. They have £30 million to help pay for the process of moving to independence. They have £450 million for the census and they have the equivalent of £240 million a year for the next five years, which is much more generous than the other Chancellor’s departments. They have to deliver some efficiency savings but they have had a real term flat settlement, rather than the minus five that everybody else has had. I think it has to be put in that setting.
Q303 Chairman: There has been quite a lot of press coverage recently about the most recent population projections. The ONS in their estimates believe the population will increase by 4.4 million to 65 million by 2016. Should the public be concerned about that? 

Angela Eagle: I do not think they should necessarily. The economic arguments for migration are unanswerable to that extent. The figures to date show that migrants generate more money in the economy than they use in resources and benefits. I think we have to ensure that we have the right sort of migration to ensure that those ratios remain. There are issues about how to absorb the new people that everybody needs to be concerned about, but it certainly assists us in ensuring that we continue to have robust economic growth if we can have migrant workers in to do the work that would not be done if they were not coming in to assist us. In general, it is a good picture but I would not be complacent about the cultural issues that it causes or the practical issues.

Q304 Chairman: The Institute of Public Policy Research used data from the United Nations to forecast that there would be 9.1 million migrants from abroad by 2030 compared to 5.4 million today. Has the government seen those figures? 

Angela Eagle: We have seen the IPPR research as indeed you have. The issue is that there is an ongoing response cross-departmentally to ensure that we get the work permit rules right, that we get managed migration right, that we minimise illegal immigration and that continues across all government departments. Certainly the Treasury is not the lead department for a lot of that practical work.

Q305 Mr Brady: You said the economic arguments for migration are unanswerable and that may be the case, but can I turn you to the implications in terms of the planning of public expenditure because there I think the position is much less clear. I got the House of Commons Library to prepare some figures. I accept these are not necessarily entirely scientific but broadly speaking the 1998, 2000 and 2002 spending review periods were based on population estimates which turned out to be overestimates and, for the 2004 and 2007 periods the projections look like being fairly significant underestimates. If you look at the amount of money that needs to be spent to maintain public expenditure on a per capita basis, the effect of this is quite interesting because for the first three spending review periods it reduces the amount of money that needs to be spent below that which has been planned for and for the second two periods it results in quite a significant saving. Looking ahead to 2011 to 2012, the Library suggests that it is nearly £10 billion less being planned for than would be necessary to maintain spending on a per capita basis. That must be a concern for ministers.

Angela Eagle: Yes, but that is only one part of the case. First of all, I think it is important also to remember that migration is good for the economy. It helps the size of the cake to grow. It also helps the tax take to grow so there are balancing positives as well as expenditure implications of migration. In fact, there are inflationary and growth implications if we cannot get the workforce that we need to do, for example, big projects which assist us to be a more effective, efficient economy. One thinks of Crossrail; one thinks of the building projects. We have to look at both sides of these arguments. It is a bit difficult for me to comment in detail when I have not seen the figures that you have from the House of Commons Library but the fiscal planning and the work that is done to prepare for budgets and public expenditure always use a range of migration statistics, so it is never a forecast that is exact down to a single person. There is always a range. With the last CSR there was a range. That was done, as you all know, before the revised mid-year estimate came in but actually figures show—I think you asked for some information about this and you have been sent it—that even with the revised mid-year population estimates, those ranges were all kept within. We know that planning for public expenditure and the numbers of people, the size of the economy, is not an exact science. What the Treasury tries to do is maintain a range of forecasts and predictions and get it as right as possible within that range. That was done in this instance.

Q306 Mr Brady: Thank you. I am using these figures just to illustrate the point. I fully accept that you cannot comment on them in detail but, as a broad principle, accepting that inward migration does expand the size of the economy and therefore is likely to increase the revenue income for the Treasury, given that public expenditure is based on projections outward, if those projections are underestimates as they appear to be at the moment and have been over the last few years, is there not a sense of the Treasury having its cake and eating it? You will get a revenue increase but planned expenditure will not rise as quickly as it would be expected to, to take account of the increased demand for services.

Angela Eagle: Forecasting is always a bit of an art as well as a science. If it looked like the forecasts were completely out in one particular area, we would have to look to see what the implications of that were. If something that was out with the band of the forecast or the estimate happened, clearly we would have to look at the figures again. There are people in the Treasury who spend their lives looking at the figures as they come in on both sides of that equation, making suggestions about whether we should be making revisions. I am confident that we have systems in place to respond if there were suddenly to be a gap of that sort. We certainly have not seen it yet.

Q307 Peter Viggers: We know that the statistics are wrong from a number of random snapshots. For example, Slough was the ninth fastest growing population in the country. Since then estimates show it has the second fastest declining population. That is one fact. There are more children receiving child benefit in Slough than there are children in Slough.
We know from these random examples that the statistics are not accurate. What revisions are made within the Treasury? You referred to revisions and people studying statistics all the time. How do they make revisions from established facts?

Angela Eagle: The ONS do this. The Treasury would not start second guessing the migration statistics or the allocation of those statistics that the ONS had come up with. Everybody recognises that we have a system where perhaps more people are coming in. Certainly more people, be they migrants or not, are moving round faster and people have different ways of commuting to work. Sometimes the usual address is not always capturing who is living in particular places and you illustrate the point with the Slough example. I believe that Karen was talking to you and has given evidence about how, as part of the task force on migration statistics, the ONS intend to try to make their estimates of the population, particularly its distribution, more accurate than we think it is at the moment. You will have heard, I hope, the Local Government Minister, John Healey, announce the setting up of a ministerial task force to guide the task force that is looking at migration statistics to see how we can try to improve the sophistication with which we deal with these statistics. It would not be for me as a Treasury Minister to tell the ONS how to gather their statistics but we are certainly very supportive of the extra work that is now being done to try to capture some of these other issues. You mentioned some of the examples in Slough. That is an issue of whether you can use existing administrative data that is held locally to try and augment the migration statistics that you collect at ports and in more conventional ways. ONS are taking a close look at how the statistics we have at the moment can be refined in order to take account of issues such as that. I know that the task force identified a series of different work streams that ONS is looking at to see how it can incorporate the extra information that we get from administrative statistics like GP registrations, school registrations, child benefit, to try and make a more sophisticated guess about what is happening in particular areas. That work, as you know, is ongoing.

Q308 Peter Viggers: I thought I heard you say that you have people in the Treasury who pore over these numbers and make appropriate revisions.

Angela Eagle: When they come in, we would make appropriate revisions to our plans. It is not for us to make revisions to the statistics. That is for the ONS. They are the statisticians. They are the experts. We have recognised for example that migration statistics need to be improved and that methodologies perhaps are not keeping up with the pace of change in this area and perhaps we could try to produce better statistics, which is why extra money was allocated in the settlement for the Statistics Board to do that and why there is now a migration statistics task force looking at how it can collect other information. That is for the ONS to do using their particular expertise. Once they give us the figures, what I was trying to say—I am sorry if I expressed myself badly—was that if the figures on our existing plans, in answer to Mr Brady’s point, changed, then we would look at existing plans, but what we would not do is say, “You have your statistics completely wrong. Why not count it like this?” That is for the ONS to decide.

Q309 Peter Viggers: I recognise that you respect the ONS figures. What I do not understand is how you make your revisions to your plans.

Angela Eagle: You would have to ask me a more specific point so that we could have a meaningful discussion. On the migration statistics, I thought the point that was being made by you was that the allocation to particular areas was not as accurate as it should be. Everybody has recognised that and that obviously has implications for how local government spending is decided and disbursed by the CLG. It has implications for NHS funding, distribution and all of those things. It is for those departments to distribute according to a particular formula and it is for the Statistics Board and the ONS to try to make their own estimates of migration and population statistics in areas more accurate. We can respond and we have responded by setting up the migration task force to do that, to try to make our measurement of migration statistics more sophisticated, but it is for the ONS to decide what is statistically relevant there, not for me. I cannot go to Karen Dunnell and say, “I demand that you add GP registrations.” I can suggest it and they can look to see whether that is a reasonable thing to do. That is the work that is going on now.

Q310 Peter Viggers: Talking about migration, you have come back in response to questions by saying that migration appears to have considerable benefits but if the numbers are wrong, if for example immigrants raise aggregate supply more than they raise aggregate demand, one would expect inflationary pressures to ease for a period of time. I am not saying that migration is good or bad but if it is not accurate the monetary projections could be wrong.

Angela Eagle: Clearly. If migrants come in, they can ease inflationary pressures by ensuring that we do not have cost push inflation in the labour market because they are filling posts that could otherwise not have been filled. These things operate in all sorts of directions and obviously it is important that we have as accurate a measurement of what is going on in as timely a fashion as we can. That is what the extra work in this area is meant to help us produce.

Q311 Mr Todd: One of the ways in which we may improve the accuracy of the census on which statistics can be based is to have a reliable address register as a means to identify people living in particular homes. That was identified as a requirement many years ago, certainly in time for the 2001 Census and it has been considered for some time since then. No progress appears to have been made. Who bears responsibility for that?
Angela Eagle: I do not think there is an easy answer to that. As you know, there are three different sources of address registers. We have never had a national address register. It was decided several years ago that we should work to see whether we could find a project that would give us a national address register. In the end, that was—

Q312 Mr Todd: All those sources lie within public sector control.
Angela Eagle: They do. There are some issues about intellectual property rights and ownership to do with the Ordnance Survey. That is my understanding. Also, I think it was decided in 2005–06 that the work being done to develop the national identity register would provide us with a national address register route in due course and therefore the other parallel work, it was decided, was a substitution. The parallel work was discontinued partially, I suspect, because some of these issues of intellectual property and failure to agree on how to move forward on those was a pretty intractable problem.

Q313 Mr Todd: To be honest, to have one unified address register would obviously be very important for this particular initiative but for many others as well. Why was it not given sufficient weight within government? I appreciate the point you are making about intellectual property but again the intellectual property all lies within the public sector. It is not an issue of some third party engagement in this.
Angela Eagle: The Ordnance Survey has its own trading fund status and its intellectual property rights issues. It would say that most of the electoral registers and the gazetteers are compiled using information that is their intellectual property. There were some pretty thorny issues. That is my understanding. The decision was taken that the best way of proceeding with this would be the work that was ongoing to create the national identity card scheme and the address register that would follow could be piggy backed on that, rather than this. That was the decision that was taken and announced in Parliament, my understanding is, in about 2006, a bit before my time in this Department.

Q314 Mr Todd: Anyone who took the view that the establishment of the national identity register would resolve this problem over time would only have taken that view with a very long periscope attached to it, because that is certainly not going to produce any solution before the census and probably not before the next one, in my personal view.
Angela Eagle: It is one of those examples of something that is pretty frustrating in that we have not made progress. I would not underestimate the difficulty of the issues surrounding it.

Q315 Mr Todd: I remember the biblical story of the Gordian knot. That was resolved in due course, was it not?

Angela Eagle: We can all hope.

Q316 Mr Todd: The ONS are now saying that they will prepare a register for themselves, which indeed they will have to do if they are going to collect the data.
Angela Eagle: My understanding is that they are using the existing three basic registers and then they are going to use their enumerators to try to hit the harder to reach areas.

Q317 Mr Todd: Has that been costed into their programme?
Angela Eagle: That is my understanding.

Q318 Mr Todd: It has been costed?
Angela Eagle: That is my understanding. I do not know the detail of what they have put in their procurement but that is the plan that they have in place and I am assuming they have costed it.

Q319 Mr Todd: Bearing in mind they are going to use the three different sources of the data which have clearly caused us this apparently insoluble problem, has some instruction been given out to those three agencies or local government collectively and the Post Office and the Ordnance Survey that they should cooperate in this process?
Angela Eagle: Clearly the census is a legal requirement and we want to get the best coverage that we can in the circumstances. A great deal of work will be going into the planning for getting this right, especially after some of the issues that emerged in the 2001 Census. I am pretty confident that they have a good, robust plan for dealing with this.

Q320 Mr Todd: Let me just test a hypothesis which is that the Ordnance Survey are being extremely protective of their intellectual property and may be extremely protective of how their part of compiling any address register is used by ONS as is actually developed and then used subsequently. If this is some one off exercise, perhaps the Ordnance Survey may say that that is for them but obviously if there is an ongoing use for the Ordnance Survey data as part of its component one can imagine they may have an interest in this matter. Is someone going to be ensuring that that interest is pursued constructively?
Angela Eagle: I certainly hope so. I would say that the 2009 rehearsal or pilot which will take account of hard to enumerate areas as well as easy to enumerate areas might give us some more information about that and lead us into ensuring that we take account of any difficulties that the Ordnance Survey or any other owners of the data that is used for post out might present us with. Practical issues, that is.

Q321 Mr Todd: Based on what we have seen today with some of the difficulties you have conceded, surely some clear direction in this area should be applied now rather than waiting for us to encounter the problem at some stage later on?
Angela Eagle: I do not disagree that it is an issue that we need to ensure is properly taken account of in the census. If ONS had come to me and said they were worried about any of this, I would have taken appropriate action. I have to say they have not to date.

Q322 Nick Ainger: The European Union last spring conducted a survey in all 27 member countries on the confidence that the public had in official statistics. We came 27th out of 27. What can the government and ONS do to improve our league table position and public confidence in official statistics?

Angela Eagle: I hope that the move to independence will certainly assist. I think it is obviously not helpful when you come 27th out of 27. I do not think it is a reasonable reflection on the standard and quality of the work that ONS do, as it happens. I note that there is a draft report on the peer review of the UK and how it has implemented the European statistics code of practice just published, which is extremely complimentary about the standards that ONS reach.

I think there is a perception issue and then there is the practical reality which is actually that ONS is a pretty good national statistic office that does a great deal of work to an extremely high standard. I hope the move to independence and the changes that Parliament approved in the Statistics Act which comes into force in April will assist us in changing what I think is an unfair perception.

Q323 Nick Ainger: Coming back to Mr Viggers’s questions and the problem that Slough and many other local authorities have where you have local government questioning the official statistics as well, do you recognise the extent of the problem in terms of the actual statistics which are being questioned and who are questioning them?

Angela Eagle: Yes. That is why we have put in train the very important work stream on improving migration statistics particularly and why it is now also going to be led by a ministerial group, as John Healey announced during the local government settlements debate a couple of days ago. At the same time—we had many discussions about this in the passage of the Statistics Act itself—statistics are not 100% of the information that we need in a timely way, with absolute 100% certainty, absolutely everything we want to know. Surveys can be extremely accurate and still not 100%. I think there has to be an understanding on both sides that statistics have their limitations as well as their inaccuracies. I would like to see there being a more informed debate about how accurate and timely statistics can be, even in an almost perfect world. They can assist us but they cannot always give us 100% of the information that we need in a timely fashion. The methodologies have their limits or their biases which the statisticians are trained to try to deal with and explain to us. We should understand that perhaps a bit more than we do.

Q324 Nick Ainger: Developing that theme, Camden Council told us that their experience of the 2007 Census Test was that publicity was a very important factor in that; and that they felt, whatever publicity campaign starts in the lead up to the 2011 Census, the first thing that should be done is a clear explanation of why the census is important, why statistics are important to ordinary people, not just to local government or whoever. Would you accept that that is the first thing that really has to be done, bearing in mind this serious problem that we have in terms of people’s confidence in statistics and their experience of these significant losses of data and obviously their reluctance now to participate in providing personal statistics?

Angela Eagle: I think that is really important. I hope that the Statistics Board and the independence of that will help us deal with that. The whole process of having the census, the engagement that we have with stakeholder groups at the beginning, the way that the design works, the way that that changes as a result of the engagement, the pilot studies we have, the fact that parliamentarians then get a chance after the White Paper, which is also an important part of having this debate, is published in the summer, onto the pilots and then the real thing when it happens in 2011 are important processes, during which we can try to do exactly what you have suggested, which is to have a debate about why it is important to fill in the census forms accurately and how important it is that the data that is derived from those is accurate.

If we do not have accuracy, we have misallocation of resources and policy development which is informed by statistics that are wrong. We do need to have a publicity campaign that speaks to ordinary people as well as those who are usual users of statistics and sincerely, I hope, communicate how important this process is in 2011.

Q325 Nick Ainger: I do not know what discussions you have had in terms of that with ONS and perhaps when it is formed the Statistics Board but clearly there needs to be a serious publicity campaign, bearing in mind the background of issues over privacy, over security of data and this general distrust, if you like, of official statistics.

Angela Eagle: I agree. I think we have enough time and the processes and the time line in place to do a successful job of that.

Q326 Mr Dunne: I would like to turn to some of the value for money aspects of conducting a census which the Chairman touched on at the beginning. We were told last week by Sir Michael Scholar that he regards the census as far from being a value for money exercise if it does not provide effective answers. Have you looked at the balance of the equation about this issue of extending the number of pages of the census and the cost of that against the overall effectiveness of the census?

Angela Eagle: Yes. I think it is important to say, whatever the outcome of the trawl to see if we can get enough money to have a fourth page, we will have an effective census with three or four pages. It would be desirable, in my view, if we could have a fourth page. However, it is also important to remember that if questions are not included on the census form we can still get a pretty good idea of the information that we
Treasury Committee: Evidence

Treasury Minister trying to keep public expenditure not finished yet. I have three hats here. I am here as a

by which we are attempting to gather the money is

Angela Eagle: is it?

Have you given them an answer on that? If so, what

in a bid for £25 million to provide the extra page.

Q328 Mr Dunne: That process is not completed yet.

hopeful that we will be able to make progress but

will find out whether there is a fourth page. I am

throughout Whitehall to see if we can find the money

the ONS Minister who does want to see a fourth

page. I am also trying to marshal the arguments

the same time I do not think all is lost if we do not.

important that we try to get a fourth page but at the

time I do not think all is lost if we do not.

Angela Eagle: We have received legal advice that there

is no risk that that would happen. Some of the

arrangements that would be made would ensure that

the data was owned and kept in the UK. There has

been no instance of the US Patriot Act being used to

subpoena or deal with companies that are not US

based. The company that would do the contract

under Lockheed Martin’s suggestions would not be

US based. We are pretty confident that there would

be robust defences against any such thing

happening. You also have to remember that under

the 1920 Census Act by which we do these things in

the first place there is absolute confidentiality when

it comes to these issues. The ONS has always been

extremely robust on that and we would certainly be

the same. If there was such an issue, then it would

affect the procurement.

Angela Eagle: I can but I think it is misplaced in

this instance.

Q334 Mr Dunne: What will you be doing to reassure

the public?

Angela Eagle: I would not expect there to be a

procurement process where there was a risk of that

kind. I am reluctant to talk too much, in the middle

of a procurement process where there are two

bidders, about one in public but I can reassure you

that we are on top of these issues and that the public

would have no practical cause to worry. If they did

have, then the procurement would not proceed if

there was such a risk.

Q335 Mr Dunne: Could you give the public and us
today reassurance that there would be some bar

placed in the contract on any of this data being taken

out of the UK, whether electronically or by means of

a CD or the post?

Angela Eagle: I would like to write to you about that

but I emphasise once more the absolute

confidentiality requirements that have always

applied to the census, that have been kept for 200

years without too much of a problem. I think there

were a couple of bin bags on one occasion but it is

a pretty robust record and we are extremely anxious

from the Minister on down to ensure that that

remains the case.

Q336 Mr Brady: Briefly, picking up on one of Mr

Dunne’s questions, regarding Lockheed Martin, if

there were a prospect of the contract being awarded

there, would it be the government’s policy not just to

take legal advice but also to seek assurances from the

United States Government?

Angela Eagle: It is absolutely clear that no contract

would be let if there were risks of that kind.

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Q337 Mr Brady: Would assurances be sought from the United States Government?

_Angela Eagle_: I can certainly tell you that we would ensure that the requirement for absolute confidentiality under the 1920 Census Act was fulfilled in full.

Q338 Ms Keeble: I wanted to ask a bit about the mid-year population estimates. Karen Dunnell told us that there had recently been indicators of churn in communities which highlights that in some local authorities more than a quarter of their populations are changing each year. For some local authorities that might be their own estimation of what is happening, but to have some solid figures is obviously very important and helpful. Is your Department using these indicators?

_Angela Eagle_: The recommendations of the interdepartmental task force on migration statistics which are attempting to reform and make more sophisticated the way that we collect this information are looking at precisely those things. They are not only looking at how to change the way the port survey is done; it is looking at how to survey people living in communal establishments, to ask questions about not only their usual place of address but perhaps if they have second addresses, to try to establish outflows and inflows from one region to another. It is continuing to look at what can be done to try to capture what Karen Dunnell called the churn.

Q339 Ms Keeble: How are they proposing to use it? Have they a timescale for it?

_Angela Eagle_: Some of the task force recommendations are being put into effect now and will help to inform subsequent estimates. Clearly, obviously births and deaths which are the other two things that are taken account of in the mid-population estimates, are fairly easy to get a handle on. Migration is the main thing, so that is why they are focusing so much on how they can try to capture what you call the churn, but movements once people are in and living in the community.

Q340 Ms Keeble: There are two issues. One is the churn factor which I will take as general turnover. We all know anecdotally what approximately those are and some of the issues that are produced. The other factor is of course migration which you have already highlighted. I wonder what you are doing to encourage the ONS. You have talked about the importance of it but what are the specific measures to encourage their measurement of migration?

_Angela Eagle_: For example, we are trying to get a handle on short term migrants to see if people have come in and then gone. We are trying to get a handle on this by increasing sampling. You could use the general household survey or some of the other fairly regular surveys and add questions to those to try to find out how long people have lived in a particular place, whether they have moved and, if so, where from. There is a range of questions that are being tested for their statistical relevance by this work at the moment. Clearly, there is ministerial buy-in to making these statistics more effective which is why the interministerial group was announced. The task force is working to look at how we could get a handle on the churn in a more effective way. Because you would want a handle faster perhaps than even the mid-term population estimates, that tends to suggest that the big quarterly surveys might be a place to do it. I know that ONS are looking at things like the general household survey to see whether there are things they can add there that would give some insight.

Q341 Ms Keeble: You have talked about the importance of it and given a range of different examples of what can be done. Because obviously short term migration is probably the most important single statistic to understand for a whole variety of measures and it is probably the one that is most sensitive from the public point of view as well, how are you prioritising that amongst a range of different things that are being described? What sort of priority is it being given? When do you expect to come forward with some results?

_Angela Eagle_: Some of the issues that have already been talked about, such as for example measuring communal establishments in a general household survey rather than non-communal ones, will give us a handle on some of this as the new results come in. I certainly would expect the ONS migration task force group to come up with a range of suggestions on top of that and put them into effect. Again, you would have to ask Karen when she thinks that the statistics will begin to be much more effective in terms of capturing this. It is not a matter for me particularly to know. I know the work is being done. I know they are considering how migration statistical collection can be captured more effectively. Some of the things they have decided they are already putting into effect. Others that for example might capture short term migration may take longer. Some of that is different: questions at the port survey, having a much larger sample at the port survey for example, thinking about embarkation controls which is an issue for Liam Byrne. All of these things are being done and being brought together. I anticipate that we will get a gradual improvement with some of these issues now and over time a significant improvement.

Q342 Ms Keeble: There is a big debate, is there not, about how reliable survey information is? What is your view on that?

_Angela Eagle_: I think you should talk to the statistics experts about it. I do not feel I am qualified.

Q343 Ms Keeble: Presumably Liam is on this interministerial group, is he?

_Angela Eagle_: He is.

Q344 Ms Keeble: Is he actively looking at embarkation as one of the possibilities for tracking migration for statistical purposes, not just for management of migration purposes?
**Angela Eagle:** I know all of those issues are being considered but obviously reintroducing embarkation collections, given that we had 90 million visitors to the UK last year, is not a small logistical exercise.

**Q345 Ms Keeble:** Westminster Council said that they could lose up to £18 million in funding because of counting the population. What action is the government taking to look at the impact of the demand for counting the population has on local authority funding?

**Angela Eagle:** I think John Healey dealt with that quite well in his statement a couple of days ago to the House.

**Q346 Ms Keeble:** I was not here.

**Angela Eagle:** He announced the interministerial group on migration statistics. There is this push to try to get a better handle on the churn, if we want to call it that. At the same time, even some of the adjustments that were made previously, after the 2001 Census, did not make huge differences to local authority allocations because of damping floors and ceilings, I think the phrase is. You would have to have a very, very large increase in population for it to have a significant effect on the money you would be allocated.

**Q347 Ms Keeble:** In areas such as my own which are growth areas, factors about population growth are extremely important because they have a profound impact on funding allocation.

**Angela Eagle:** I understand that. That is why I was so supportive of the work that ONS did with local authorities to try to get a handle on some of this after the 2001 Census. My understanding is also that the Local Government Association are involved in some way with the task force on migration statistics as an ongoing result of the work that was done to try to see whether local administrative figures might cast some newer, more up to date light on what was going on in particular areas.

**Q348 Ms Keeble:** Michael Scholar when he came here said that the relocation exercise was one of a number of issues that would be revisited and did not rule out some changes to the decision to relocate. What is your view of the relocation of ONS? Do you see it as something that is going to happen or do you think it is up for grabs?

**Angela Eagle:** I do not think it is up for grabs. Most of the central management of ONS now is in Newport. The relocation is going well. 100% of all national statistics and 99% of the rest of them have been done on time, even through the relocation. The fact is that when independence happens in April and I hand on the baton to whoever is going to do this job in the Cabinet Office the ONS becomes a non-ministerial department. That does not mean that it is completely independent of all of the financial constraints that other government departments are put under. It will be expected to achieve the targets that it signed up for in the spending review 2004 on the Gershon savings. It will be expected to achieve the figures that it signed up to for relocation in the Lyons Review up to 2010. It has a budget that has been set out with the CSR period, this time a five year budget, a generous one. Within that budgeting, it can decide to do what it wishes. It cannot renge on agreements that were made in 2004 about the spending review and relocation or Gershon efficiency savings.

**Q349 Ms Keeble:** If they can achieve the same financial targets without having to go through the same relocation exercise in exactly the way it was formulated, would you be happy to see the decision revisited and some alterations made within the spending guidelines?

**Angela Eagle:** If after 2010 the Board believes that there are strong reasons for locating back to London, they would have to make the case and demonstrate that it was value for money. They would have to get the Chief Secretary of the Treasury’s permission to reverse the Lyons relocation. It is too early to speculate on whether they would be able to make a case that they wish to do that, or in fact whether they would want to by 2010.

**Q350 Nick Ainger:** Professor Rhind in his evidence to us last month told us that the Statistics Commission of which he is a member visited parts of Scandinavia and the USA. He told us, “I think we concluded that the traditional Census, of which in some ways the British one is the most traditional of all, now given what has been happening elsewhere, has almost had its day.” Do you agree that the 2011 Census should be the last British traditional census and we should now move to the administrative registers which, certainly from the Statistics Commission point of view, are delivering a far better service than our traditional census?

**Angela Eagle:** I am agnostic on that at the moment. First of all, I would have to see how the 2011 Census goes. I would also look at the development of national databases such as the NHS one, the administrative databases you are referring to, and consider whether considerable progress had or had not been made with the national ID card scheme and the register that accompanies that. It could be that by then we are in a situation where that might be the case but I think it is far too early to judge, at the beginning of 2008, where we will be then, which is why I think it is important to keep an open mind on these things and see what happens.

**Q351 Nick Ainger:** Is not all the evidence, certainly as we gathered in Sweden, that the system of administrative registers is far more effective, far more accurate than what we have in this country? That is perhaps one of the reasons why we came 27th out of 27 in the trust that we have in official statistics. The Statistics Commission I do not think has a particular axe to grind. I think they are being quite objective in looking at other methods of collecting official statistics and they are saying that our one is not working any more and that we should move to a completely different system and that the planning...
for that and the action that is needed to develop these administrative registers needs to be taking place now.

Angela Eagle: That might be their view. Clearly, the 2011 Census is not going to be cheap.

Q352 Nick Ainger: Half a billion.

Angela Eagle: It will cost us a lot of money. The information that we gather is, as you are well aware, extremely valuable to us and it is the basis upon which a lot of public policy, resource allocation etc., happens both at national and local government level. It is also the basis for a lot more research in the social sciences and all of those things. Before we moved away from the 200 year process of having a traditional census, I would want to look at the kinds of issues that I just raised with you to see whether we had robust enough alternatives that would deliver us data that was as useful as the data that we get from a traditional census. I think it is too early to have that view. If the ONS came to us and started saying that they were of that view and all statisticians came to us and started saying that they were of that view and they thought we should be moving this way, we would have to look at what the cost of that would be and whether it could be done. I think people in the UK are suspicious of anyone who tries to make lists. The issue with ID cards is not exactly non-controversial. It would not be non-controversial to have a national address register either, I will be bound, but I think we have to see how these things are evolving before I could have a view. I am agnostic. I want us to get the information in the best possible way we can to make the best use of it. If it became clear that there were other ways of doing it that were not about the census and there was general agreement about that in the statistical community, then I might well be persuaded, but I am not at that stage yet.

Q353 Nick Ainger: I understand the ONS are going to look at this this year.

Angela Eagle: It is quite right that they should consider and always ask those basic questions, yes, of course. I would look forward to their views on it with great interest.

Q354 Nick Ainger: Professor Rhind also said that he felt there was a lack of a data sharing culture in British government departments. You are nodding your head at that.

Angela Eagle: That is certainly true. That has always been my experience as a Minister and I have been in four departments now.

Q355 Nick Ainger: What are you going to do about it?

Angela Eagle: Some of the developments that are happening with the capacity to have databases, particularly for example the patient databases in the NHS and some of the databases that are being developed in other places, might give us a platform to change these things. If I had a magic wand, I would have waved it a long time ago.

Q356 Nick Ainger: At the moment you are agnostic. You will await the outcome of the ONS study on whether the administrative registers can do a better job than a traditional census. That is your current position?

Angela Eagle: That is my current position, yes.

Q357 Nick Ainger: In terms of this data sharing between government departments and also agencies of government such as the Ordnance Survey and even the Post Office—I accept it is not an agency of government but obviously government still remains a significant player in the Post Office—I cannot remember who it was but one of our witnesses told us that heads need to be banged together. Do you not think it is your role to become a head banger, as it were?

Angela Eagle: They were pretty well banged together in the attempt to get some agreement in this that happened a few years ago. I think there are some issues of intellectual property rights and value. It may be that the way of solving that is to look at the issue of intellectual property rights in these capacities more generally. I certainly know that the Treasury are looking at that. I do not want to spend my time in fruitless effort. I would rather put my effort into doing something that I think will work. There was an announcement in 2006 that this was not going forward in its current form and a view that perhaps the national identity card process would give us what we wanted. I think it is probably too early to revisit that.

Q358 Peter Viggers: Following my earlier line of questions, I must say I remain unclear. The ONS does a careful and conscientious job in producing numbers?

Angela Eagle: Yes.

Q359 Peter Viggers: But, because of migration and other reasons, it is known that those figures are not completely accurate. The Treasury works with the ONS trying to help the ONS refine its numbers but, at the end of the day, you did use the word “revisions” and you said that the Treasury applies revisions to the ONS numbers.

Angela Eagle: No. If you have the impression that we revise the ONS numbers, that is not what we do. We would never do that. The ONS figures are the figures we work from. I think I used the term “revision” in answer to Mr Brady about what we might do with public spending plans.

Q360 Peter Viggers: Yes.

Angela Eagle: I am sorry if I gave you the impression that we say to the ONS, “You know that figure of 8%? We think it is nine and so it is going to be nine.” Clearly, the ONS figures are the figures that everybody works from. We do not second guess them in that sense.

Q361 Peter Viggers: You start from the ONS figures. Do you apply perhaps common sense revisions when making your spending allocations?
Angela Eagle: Not in that sense because the ONS will often produce a range. If you look at the population statistics upon which the CSR settlement was based in 2007, you will see that there is an upper and a lower range. That was using the 2004 mid-year estimates. The newer estimates came out just after the CSR process had happened and they demonstrated that in all cases the ranges that had been assumed had not been over-topped by the new figures. There is a range that we are given for population projections, which is how the population application is used in deciding on public expenditure commitments. It is not a single figure; it is a range, from the lower to the higher end.

Q362 Peter Viggers: A different area. The ONS told us that it has worked with the Home Office on the e-borders system; what role has the Treasury had in those discussions?

Angela Eagle: Liam Byrne, who is a Treasury minister as well because of his role in the new border security forces being put together now, is really the connection, and a pretty direct connection, between the Treasury and what is going on with e-borders. He clearly keeps us in touch with what is going on there; he is a minister in both departments.

Q363 Peter Viggers: Is that the answer to the question as to what action the Treasury is taking to ensure that the Home Office e-borders programme can provide robust population estimates?

Angela Eagle: It is certainly high on the agenda.

Q364 Chairman: Thank you, Peter. Some final questions from me on the Statistics Board. Do you think if it wanted to the Statistics Board has adequate powers to reform population statistics?

Angela Eagle: I do not see why not. If it had suggestions of different ways of counting or compiling them, or it had some comments on how ONS were compiling them, it could certainly make those public and the ONS could then decide what to do about it. The issue here as well is that it is not only national statistics, there are local statistics involved here as well in making a reasonable compilation, but I am sure that will be in their mind.

Q365 Chairman: I am just wondering whether you felt they had adequate power in this area.

Angela Eagle: If they had a series of suggestions that the ONS disagreed with I suppose they could have some debate about it, but I would not see that there would be any role for the Government to interfere in how those were defined.

Q366 Chairman: Parliament continues to take an interest in how the Statistics Board can be made sufficiently accountable, which is an issue that will be familiar to you.

Angela Eagle: Yes.

Q367 Chairman: The House of Lords Liaison Committee has recently supported the suggestion that there should be a joint committee of both Houses: do you have a view on that, as to how we can strengthen the accountability of the Board to Parliament?

Angela Eagle: My view—and obviously it is a matter for Parliament—is that the Treasury Select Committee sub-committee (this committee) did an extremely good job in its oversight of the ONS and the whole area of national statistics. I do not think there is any reason why the Public Administration Committee who look after the Cabinet Office where the ONS is moving shortly should not do an equally good job. There is only one joint committee really in existence at the moment and that is the Human Rights Committee. It would cut across quite a lot of the work that the select committees do ordinarily if we were to establish another joint committee, it would not sit with the select committee system that we have got. I do not think that means that Sir Michael cannot get called to give evidence to the Lords Economic Affairs Committee or any other committees that wish to see him, but the logic of the shift to the Cabinet Office is that the Public Administration Committee take on the job that this committee has done since the ONS moved to the Treasury, and done with great distinction in my view.

Q368 Chairman: It is kind of you to say so, but that was not quite the view of your predecessor, was it? During the passage of the Bill he implied that perhaps Parliament should take a fresh look at it.

Angela Eagle: You asked me my opinion on it; I have not talked to John Healey about what his view was.

Q369 Chairman: All right. Your consultation paper in December proposed limiting pre-release of information to 24 hours, another issue that will be very familiar to you.

Angela Eagle: Very.

Q370 Chairman: Much shorter than the current limit of five days but well short of our recommendation, to which I think you were party, of three hours.

Angela Eagle: I think I was.

Q371 Chairman: Can you explain why 24 hours has now been suggested?

Angela Eagle: It was the length of time the Prime Minister announced in his statement on constitutional reform; I think we should try it and see how it works. We have not even got to the Statistics Act coming into force which happens in April, properly yet. I personally am reasonably relaxed about these things but clearly the Government has a particular view which I expressed during the passage of the Statistics Act. I think we should see how it works; a reduction from five days to 24 hours is in the right direction, we should see how it works and see what the effect of it is. On the other side of the argument, ministers are expected to be able to have a fairly sophisticated analysis of statistics when they are published. 24 hours is a lot shorter than five days and we should see how that pans out and take another look at it, as I am sure the Statistics Board will, in due course.
Q372 Chairman: You said this has been announced before the Statistics Act is fully in force; it does seem odd therefore that the decision has been made by the Government and not the new board and indeed without the advice of the new board because the new board has not started.

Angela Eagle: There is a consultation document out and we will look with interest at the responses that come back.

Q373 Chairman: If the Board said it was not at all happy with 24 hours you would look at that again, would you?

Angela Eagle: The Prime Minister has announced 24 hours, that is clearly the current government position; we should look to see what happens with the consultation document and it is not for me to anticipate what might be the result of any decisions that come subsequent to that, but the current position is that there will be a reduction from five days to 24 hours.

Q374 Chairman: I understand that, but are you actually consulting on that number or is that a final decision for the moment?

Angela Eagle: I have not got the text of the consultation document in my head but there is consultation on this issue and if people have views about it then I am sure they will express them in their response to the consultation.

Q375 Chairman: Thank you very much. You have promised us a couple of notes at some point during the afternoon.

Angela Eagle: I am sure a note will have been taken of the notes I have promised and I will get them to you as quickly as I can.

Chairman: Thank you very much.
Written evidence

Supplementary memorandum from HM Treasury

This memorandum responds to the Sub-Committee’s request at the evidence session on 23 January 2008.

Population Statistics in CSR 2007

The latest population statistics available at the time of CSR 2007 were the Government Actuary’s Department’s 2004 based population projections.

These statistics were presented and put in the context of the wider challenges facing the UK economy in the document “long-term opportunities and challenges for the UK: analysis for the 2007 comprehensive spending review”, published in November 2006. The document (paragraphs 3.8–3.11) explains that the principal projection of the overall UK population was 64 million by 2017. The document also noted that this projection was subject to some uncertainty, and that GAD had also produced “high” and “low” variants (which themselves do not represent firm upper and lower bounds) which show the UK population at 66 and 62 million respectively by 2017.

Where relevant, departments drew on these GAD projections to inform their planning for the CSR period.

Following CSR2007 the ONS published updated 2006 based population projections.

The principal 2006 based projection is higher than the 2004 based projection, but for all years is within the range of the 2004 based “high” and “low” variants.

<table>
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<tr>
<th>GAD/ONS projection</th>
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<th>UK population (’000s) 2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<td>61,085</td>
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</tr>
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<td>61,499</td>
<td>61,925</td>
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<tr>
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<td>60,737</td>
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</tr>
<tr>
<td>2006 base—principal</td>
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<td>61,412</td>
<td>61,858</td>
<td>62,309</td>
<td>62,761</td>
</tr>
</tbody>
</table>

February 2008

Supplementary memorandum from the London Borough of Newham

Newham would like to take this opportunity to provide a written response to the following questions, taken from the session heard on Wednesday 23 January 2008, to offer suggestions improvement.

Q164 Mr Love: What I would like you to do is to give us some examples of where you think it is going wrong in your own local experience but perhaps, more importantly, how do we correct those mistakes in a way that will find validity of the ONS?

Q166 Mr Love: What are the steps that need to be taken to recognise the population increase in Newham [and elsewhere]?

ONS has identified migration in-flows and out-flows, particularly for international migrants, as an area of primary concern. Migration within the UK is estimated by the movements on GP registers, and this is seen as currently the best available data for this purpose. The international flows, in contrast, use sampled data from the International Passenger Survey (IPS), supplemented by use of the Labour Force Survey (LFS)—another sample survey—to apportion migrants to local authority geographies, and by Census data from 2001.

Quantifying international migration

The international flows at national level are currently determined by the IPS. There remains some doubt as to whether these accurately reflect international flows because:

— It may not adequately cover all migrants as it is a voluntary survey and those with language barriers are less likely to participate.
— It is not clear that the coverage operates adequately out-of-hours, thereby missing migrants on cheaper flights that arrive or depart in the early morning or late at night, particularly at smaller ports.
The sampling of each port is believed to be determined by the flows of international flights to and from it—and these smaller (and probably cheaper) ports may attract proportionately larger numbers of aspiring residents than the larger and more expensive ports.

The definition of “migrant”, based on intended residency of a year or more, filters out many respondents at the time of questioning who do not plan to stay, but who subsequently become resident.

If we are to have confidence in the IPS total count, we need to be convinced that the current arrangements adequately reflect migrants to and from the country. Research could be undertaken to link what is gleaned from the IPS with administrative data sources, so that we can have more confidence in the overall counts as well as utilise this data for the more difficult allocation of migrants to local authorities. We need to know what proportion of Flag 4 (foreign patients registering with a GP for the first time) or National Insurance applicants (NINO) records are likely to become “resident”.

Information about foreign students could become part of a more sophisticated model, with some of them becoming resident or remaining resident for a limited time and many leaving. The age group structure of Flag 4 data could be compared to the IPS population as a “reality check” and help to inform the age/gender distribution of international migrants.

Such research could then be used to assist development of a model for “propensity to leave” of new migrants, identifying age groups of foreign arrivals that tend to leave the country (eg students, or pensioners returning “home”) to help us improve our understanding of this aspect of migration.

E-borders will clearly offer a much richer source of data than that which the IPS provides for in- and out-flows, and should be implemented with high priority to remove a large source of uncertainty in the current methodology. In the absence of E-borders, we will have to accept that the overall national levels of migration are largely correct and seek other sources to help in its use.

Allocating migrants to Local Authorities

It is the next stage, of allocating international migrants down to local authorities, that is seen as fraught with error. Currently, the IPS data is then modelled to local authorities using data from the Labour Force Survey (LFS), and Census 2001 data on foreign-born residents. This too is seen as flawed because the sampling for the LFS is also small, and the data from the Census does not adequately reflect current migration patterns.

To address this, it is proposed that administrative data is used to model migration flows to local authorities, using not the GP registration Flag 4 counts, but the proportional flows of international migrants to areas each year, eg:

Total IPS international migration x (LA Flag 4 counts/national Flag 4 counts)

The GP register indicates a pattern of settlement. It is assumed that most people register with a GP either when they have a residence in an area and begin making use of community services, or when they are ill. It is not believed that people tend to immediately register in an area only to move on to another area within a year, and it is known that some people do not register for some time after moving into an area. Current methodology using the Census assumes that new migrant arrivals are likely to settle where currently existing communities are, and it would make sense to use Flag 4 GP registration data to model current flows rather than relying on Census data that is years old and may not reflect new migrant communities.

The disadvantage of this method is that some areas will have low levels of new GP registrants. This can be due to a lack of available GPs (in which case the PCT assigns patients to GPs rather than them being accepted voluntarily) or because NHS services are not required. In this case, these local authorities could be allocated an inadequate number of migrants, but ONS might be able to use disparity between LFS data of new arrivals to an area compared to numbers of Flag 4 registrants to identify where this might be an issue.

Out-migration

Out-migration is particularly problematic because of the very small sampling done of those leaving the country. Previously, ONS simply applied a proportion to each local authority’s population to determine a count of migrants, but they have now created a “propensity to migrate” model to guide their methodology. This is based on population characteristics to determine what proportion of each local authority’s population is likely to emigrate. The premise is that, for example, single young males are more likely to be emigrants than 11-year-old girls, or the families of 11-year-old girls, and that local authorities with large numbers of young adults are more likely to have emigrants than those with large pensioner populations. This makes intuitive sense.
However, the single characteristic that is likely to impact on whether someone leaves the country is excluded—that of country of origin. ONS seemingly believes that there is an equal likelihood of any particular age or gender leaving the country, without any reference to the ties they may have to another country, and that a former economic migrant from a lesser-developed nation will have the same likelihood of return or departure as someone from Western Europe, North America or Oceania.

This does not make sense, and it is not understood why ONS has chosen to exclude country of origin as a factor in their analysis. While it is accepted that individual countries of origin may be too complex to model, global regions could provide insight into differing migration patterns, and this should be investigated.

Administrative data could provide some insight into differential rates of return/emigration if it can be appropriately linked. For example, applicants for National Insurance numbers could be identified and their country of origin noted and this linked to their National Insurance accounts for which no contributions have been made for some time (or possibly tax records), to give an indication of individuals who are likely to have departed from the country. This would help build understanding of demographic characteristics of those who have arrived, stayed for awhile, and then left, to help with the construction of the modelling of out-migration.

**Range of error in population statistics**

ONS should be able to guide central government in its use of the statistics for resource allocation by identifying those particular local authority populations that it believes are difficult to accurately estimate. It is not unreasonable to ask for information on margins of error, so that funding arrangements could be considered for those areas with the greatest levels of uncertainty.

In an age where there is such a mobile population, ONS needs to adopt a less fixed “one-size fits all” approach, and identify the range of confidence it has in its existing data sources and begin to identify alternative ways of painting the picture of population in this country. The continued use of trend-based projection modelling is not seen as viable in areas where there is large-scale development, and ONS needs to be more responsive to local authority knowledge of change and impending change in these areas.

Administrative data should be able to provide some kind of “reality check” to the estimates produced, so that an increase in new dwellings occupied by more than one adult (according to Council Tax registers) are not accompanied by falls in population. Where there is discrepancy between administrative sources of data and population estimates, a dialogue with local government should be sought to be able to understand failings in the outcome, in order to improve either the model or the local administrative data.

It would be helpful if a collaborative relationship was developed between ONS and local authorities, with feedback from local authorities about the population statistics being considered as helpful rather than simply a means of obtaining additional funding. We need accurate population statistics not just for our funding bases, but also for our service planning and development to ensure that we are responding accurately to real issues, rather than those created out of flawed statistics.

31 January 2008

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**Supplementary memorandum from the Office for National Statistics**

In response to evidence given to the committee by the National Statistician on 28 January, additional information was requested on questions 1–5 below (numbers in square brackets provide a link to the transcript of oral evidence). The National Statistician also offered to provide additional evidence on the reliability associated with mid-year population estimates (listed here as question 6). ONS evidence on all these questions is as follows:

**Question 1:** How many enumerators experienced verbal or physical abuse, in the course of their work? [Q245]

A total of 34 incidents were reported in 2007 by ONS field staff collecting social survey information. For comparison, in that year ONS sent interviewers to visit approximately 340,000 addresses. Of these incidents, nine related to verbal or physical abuse, seven to dog or bug bites and 18 to vandalising of interviewer cars and theft from cars.

1 ONS Omnibus Survey
Question 2: The proportion of the population who have ex-directory landlines. [Q251]

In 2006, 90% of households had fixed line telephones\(^2\) and, according to British Telecom, 48% of all landline users, including non-BT customers, are ex-directory.\(^3\)

Question 3: Further details about the methodology used in scaling [calibrating the IPS estimates using] the Labour Force Survey (LFS). [Qs 261–267]

Details of the methods used to calibrate International Passenger Survey (IPS) estimates using three year rolling averages from the LFS were published in advance of the release of the population estimates in 2007. The full details are in the paper “The Use of Calibration in Estimating International In-migration to UK Countries and the Regions of England” on the National Statistics website at:


An overview of the uses made of LFS and IPS figures in making local estimates was provided at the same time and is at:


Methodological justification

(a) Reducing bias

The benefit of using the LFS is to distribute international migrants to English regions and Wales based on where they settled rather than relying on where they said they intended to live, when they responded to the IPS.

In the IPS, arriving international migrants are asked for an intended destination within the UK. These answers give biased estimates for the distribution of in-migrants between the countries of the UK and the government office regions of England. Analysis of data from the IPS, the 2001 Census and the LFS showed that the country and region in which recent migrants actually lived in 2001 had a different distribution from that based on where migrants sampled in the IPS stated that they intended to live. Comparisons of IPS and LFS in other years also showed systematic differences since the mid-1990s.

Additionally, since 2005, in-migrants in the IPS have been asked whether they intend to stay in their stated UK destination for the next 12 months or are likely to move on to a different area. The data for 2005 suggested that in-migrants who initially intended to stay in London, in particular, were more likely to settle elsewhere than those indicating they intended to stay elsewhere (18 and 7% moving on within a year, respectively).

(b) Effect on precision of estimates

An important consideration, in moving from one method to another, was to assess whether it would adversely affect the standard errors of the estimates at the country and region level. Figures A and B show the relative standard errors for estimates based on using data from the IPS for 2002 and 2004, comparing the old method with the new method of calibrating using the new methodology. These relative errors take account of the variability introduced because the LFS is a sample survey. These show that in ten out of the twelve areas shown, the relative errors were lower in both years using the new methodology. For London and the South East, the small relative increases in one or both years reflected a smaller estimate of migration (but no change in the absolute level of error).

\(^2\) ONS Omnibus Survey
Figure A

RELATIVE STANDARD ERRORS\(^4\) BY COUNTRY AND REGION: COMPARISON OF ESTIMATES BASED ON USING ONLY THE IPS WITH THOSE USING IPS CALIBRATED TO LFS, 2002

Figure B

RELATIVE STANDARD ERRORS\(^4\) BY COUNTRY AND REGION: COMPARISON OF ESTIMATES BASED ON USING ONLY THE IPS WITH THOSE USING IPS CALIBRATED TO LFS, 2004

\(^4\) The relative standard error is the ratio obtained by dividing the standard error of an estimate by the estimate itself.
For reference, the numbers of contacts made with recent international in-migrants each year in the LFS (from the much larger number of people who are actually interviewed) are shown in Table A. Migrant numbers in the sample are dependent not only on the LFS sample size but also on the actual number of recent migrants in any area, which will fluctuate between areas and over time. The relatively low numbers in some areas in individual years reflects the relatively low number of migrants in those areas.

Table A

NUMBER OF INTERNATIONAL RECENT MIGRANTS IDENTIFIED IN THE LFS SAMPLE
BY GOVERNMENT OFFICE REGION AND WALES, 1999–2006

<table>
<thead>
<tr>
<th>Year</th>
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<th>2000</th>
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<tr>
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<td>18</td>
<td>18</td>
<td>8</td>
<td>6</td>
<td>24</td>
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<td>North West</td>
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<td>33</td>
<td>61</td>
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<tr>
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<td>60</td>
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<td>Wales</td>
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As indicated above, the method of calibration introduced in 2007 makes use of rolling three-year averages. The use of the three year averages is particularly important in providing a more robust indication of recent levels of settlers in the regions than figures for any single year or use of the IPS alone.

Estimation of migrants settling in local areas

In distributing migrant numbers to local areas, no further LFS calibration of IPS figures is undertaken beyond that described above. The method of distribution varies by region and type of migrant (see Table B), and in one instance (non-student migrants to London) further use is made of the LFS three-year rolling averages. This is purely for distributing the calibrated London totals to intermediate geographies within London. In this instance, the further distribution of these numbers, from intermediate geographies down to individual London Boroughs is achieved using 2001 Census distributions.

Table B

SUMMARY OF DATA USED TO ESTIMATE MIGRANT NUMBERS, BY AREA AND TYPE OF MIGRANT

Outside London: distributions of in-migrants
- Wales/English region level: IPS + LFS in combination—calibration using one year IPS and three year average LFS
- Intermediate level (NMGi): IPS three year average
- LA level: Census

London: distributions of non-student in-migrants
- Wales/English region level: IPS + LFS in combination using calibration as above
- Intermediate level (NMGi): LFS three year average
- LA level: Census

London: distributions of student in-migrants
- Wales/English region level: IPS + LFS in combination using calibration as above
- Intermediate level (NMGi): N/A
- LA level: Census

Distributions of out-migrants
- Wales/English region level: IPS one year
- Intermediate level (NMG): IPS three year average
- LA level: Propensity to migrate model

Question 4: Clarification about the method used by CLG to allocate resources, including the predicted margin of error by 2011. [Qs 270–271]

The Department for Communities and Local Government (CLG) have provided the information included at Annex A.

Question 5: The outcome of the discussions between ONS and the relevant chief statistician about the methodology used by the NHS to allocate resources to PCTs, 2008–09. [Q 273]

Advice to Department of Health ministers on the resource allocation formula for the NHS is provided by an independent committee, the Advisory Committee on Resource Allocation (ACRA).

The Department of Health have provided information on the 2008–09 allocations, included at Annex B.

Question 6: What is the margin of error in mid year population estimates and how much does it vary? [Q 258]

Mid year population estimates are produced using the cohort component method which begins with population estimates by age based on the 2001 Census and rolls these forward for each subsequent year by adding births, subtracting deaths, adjusting for migration and ageing the population by a year.

The Census results incorporated estimates of under-enumeration, based on a sample survey, the Census Coverage Survey (CCS), and for this reason are subject to sampling error. Figures indicating the margins of error as a result of this, at national and local levels, were published at:


These error estimates do not however incorporate the additional uncertainties associated with the adjustments made to the Census results for current population estimation purposes. These adjustments are described in Section 2 of the Local Authority Population Studies: Full report, available from:


Births and deaths in the UK are registered and are assumed to be complete. So the main source of statistical uncertainty is associated with the international migration component. This uses Total International Migration (TIM), which is compiled from several sources of information. The principal source is information on the intentions of recent migrants sampled in the IPS, but account is also taken of groups not covered by the IPS, such as asylum seekers and those arriving from Ireland, and adjustments made for those who change their intentions. TIM estimates are distributed to local areas using additional sources (eg Labour Force Survey and Census). Survey estimates such as the IPS and LFS have known sampling errors. All sources also have non-sampling errors such as under-coverage. No single error measure is available to summarise this complex process.

However, the sampling error of the main individual component, the IPS, is available. The effect on these sampling errors of using the LFS to calibrate country and regional distributions was described in the reply to Question 3. This analysis incorporated the effect of sampling variation in the LFS.

In addition to sampling variation in any particular data source and year, the following needs to be taken into account in considering the overall margin of error in population estimates:

- Any residual discrepancies between Census and the rolled forward estimates (for example definitional differences, sampling and other errors in the Census estimates and sampling and other errors in the post-Census corrections). These are considered to be relatively small at national level, but may make a larger relative contribution to the limited number of local authority estimates where there were particular problems at Census.

- Accuracy of local migration estimates from the Census, used in distributing migrant estimates as described in Table B (for example due to differential levels of imputation and sampling errors in the imputed values).

- Changes since Census in the local authority distribution of migrants within intermediate areas (Table B indicates how these distributions are used).

- The cumulative effect of sampling and other errors in annual population estimates as we move further from the base Census year. As is standard practice following a Census, the size of these errors will be assessed using the 2011 Census and revisions made accordingly.
These are complex issues and ONS have not published comprehensive estimates of the margins of error, as indicated to the Committee by the National Statistician.

**International Passenger Survey (IPS)**

For 2005, the relative standard error for the total IPS in-migration estimate of 496,000 migrants was 4%. This gives a range of between 459,000 and 533,600 as the 95% confidence interval¹ for the IPS estimate of the number of migrants entering the UK during 2005.

The relative standard error was 5% for the 2005 out-migration estimate of 328,000 migrants. This gives a range of 297,000 to 360,000 migrants as the corresponding 95% confidence interval.

Further details of the effects of sampling error on the migration estimates by various characteristics are given in Table 4.2 at pages 31–32 of the Annual Reference Volume MN Series no. 32, *International migration: Migrants entering or leaving the United Kingdom and England and Wales, 2005*. This is available from:


Entries in this table show that estimates based on the sampling of passengers on certain routes have much larger errors associated with them. For other tables in this publication, as a guide, the standard error for an estimated 1,000 migrants will be in the region of 40%. This reduces to about 10% for an estimate of 40,000 migrants. Thus, generally speaking, the larger the sample supporting a particular estimate, the smaller its sampling error.

4 March 2008

**Annex A**

**METHOD USED BY CLG TO ALLOCATE RESOURCES**

Formula Grant is a fixed amount set by the Spending Review that is then distributed to local authorities by Communities and Local Government. Allocations are no longer made on an annual basis, but are multi-year settlement allocations made at the beginning of the Spending Review period. For example, provisional allocations for 2008–09, 2009–10 and 2010–11 were announced in December 2007. Multi-year settlements have been welcomed by Local Government as they provide predictability and stability in the funding that is provided by Central Government.

In order to provide these multi-year settlements, projections of population and the taxbase (number of Band D equivalent properties) are used as the main drivers. For all other indicators, the data remains the same in all years. Therefore, rather than using the mid-2006 estimates of population as the main measure of population in 2008–09, 2009–10 and 2010–11, the 2004-based sub-national population projections for 2008, 2009 and 2010 have been used.

For each authority, the distribution takes into account the relative needs and potential to raise resources locally relative to all other authorities providing the same services. There is also a central allocation and a floor damping mechanism. There is no guaranteed amount of grant per head.

The calculation of relative needs is based on mathematical formulae for each of the main services provided. For each formula, except for Highways Maintenance, Local Authority Education Functions and Capital Finance, the client group for the service is measured by the ONS sub-national population projections. Additional socio-economic, demographic and geographic factors are used to reflect the variations in need and costs.

In addition, to be able to determine the relative needs amount from the relative needs formulae, the relative resources amount and the central allocation, the population projections are also used as part of the calculations.

The final allocation of grant incorporates a floor damping mechanism. This sets a lower limit (floor) to all authorities change in grant from year to year. This means that authorities whose grant, after the relative needs amount, relative resource amount and central allocation has been calculated (referred to as grant before damping), is below this floor, receive an additional amount to ensure that they receive the floor. As this mechanism is self-financing, authorities whose grant before damping is above the lower limit have their grant scaled back. The decision on what floor levels are set is taken by Ministers.

The revised 2004-based sub-national population projections published on the 27 September 2007 have been used as they were the most up-to-date data available when the calculations of the 2008–09, 2009–10 and 2010–11 settlement were undertaken in late 2007.

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¹ If the survey were repeated many times under the same conditions, then 95% of intervals constructed in this way would contain the true value.
It is not possible to quantify what difference there would be for individual authorities, had different population data been used in the distribution of formula grant. This is because different decisions may have been taken by Ministers on the methodology used and the level of floor damping; and no alternative population estimates are available for years later than 2006.

However, at the overall England level, there would be no difference, as the amount of grant to be allocated would not change.

Annex B

INFORMATION FROM THE DEPARTMENT OF HEALTH ON RESOURCE ALLOCATION TO PCTS IN 2008–09

ACRA is reviewing the resource allocation formula for the NHS. They requested an extension to its work programme, which Ministers agreed to, meaning that it was not possible to implement the new formula for 2008–09 and still give the NHS sufficient time to plan for the year ahead. Therefore, it was decided that it was better to announce a one-year allocation to PCTs and allocate the following two years as soon as possible after ACRA had finished their work. The resource allocation formula for the NHS was frozen for 2008–09, no part of the formula was updated included populations, and every Primary Care Trust (PCT) received the same uplift to their budget of 5.5%. The formula was frozen to avoid changes in 2008–09 that may then have to be reversed in 2009–10 when the new formula is implemented.

It is right to give ACRA additional time to finalise their work to ensure that they will produce a formula which is as robust as possible. An additional benefit of the delay in allocations for 2009–10 and 2010–11 is that we will be able to use the latest population projections which will be available in 2008. Allocations for 2009–10 and 2010–11 will be made to the NHS by summer 2008 and will use the most up-to-date population projections data available from the ONS.

Supplementary memorandum from the Exchequer Secretary to the Treasury

When I gave evidence to the Committee’s Counting the Population inquiry I offered to write on the matter of Census data security, in response to question 335 from Philip Dunne MP.

Data security and confidentiality of personal information carries the highest priority for the Census. It is central to the design of robust systems, processes and legal arrangements with contractors. All employees of both ONS and any appointed contractors working with Census data are bound by the 1920 Census Act and the confidentiality provisions of the 2007 Statistics and Registration Service Act (SRSA). Any breach of the SRSA confidentiality provisions is a criminal offence, subject to possible imprisonment and fines. All staff working with Census data sign a confidentiality declaration to confirm their understanding and commitment to the legal confidentiality undertakings. Individual Census data is used for statistical purposes only and is protected from disclosure for 100 years.

The procurement process for the support service for the 2011 Census is currently ongoing, so I am not in a position to comment on the detail of the bids. However, I can assure you that the eventual contract that ONS places with the successful bidder will have sufficient provisions to ensure that the service provider will, at no stage, allow the removal from the United Kingdom of any completed paper questionnaire, or any electronic data or images that could in any way identify an individual. Both the warehouse and the processing centre will be located within the United Kingdom.

The contract will be written specifically to warrant that the service provider protects the confidentiality, integrity and availability of confidential information, personal data and Census data. By providing this they must install security measures that comply with UK HMG specifications for RESTRICTED (Baseline) level operations.

There will be further indemnities to cover any loss of data, changes to any location of supplier premises, the ability to undertake full audits of systems and processes (including an independent security audit) and for all staff to be compliant with the ONS Census 2011 Corporate Confidentiality Agreement.

I hope this reassures you that the security of the Census data is taken extremely seriously by ONS and by myself, and everything possible is being done to ensure data confidentiality.

14 February 2008
Memorandum from the Bank of England

EXECUTIVE SUMMARY

— There is considerable uncertainty around current population estimates. This primarily relates to estimates of international migration, since the last Census, which are based on the International Passenger Survey (IPS). The numbers of births and deaths are both well measured.

— The IPS only interviews a small number of migrants at the main ports of entry into the UK. It was not designed as a survey to measure migration and may not have been able to fully keep pace with recent changes in migration patterns.

— Other administrative data sources on National Insurance numbers issued and registrations with the Worker Registration Scheme can be used as a cross-check against the plausibility of official migration estimates. These alternative sources suggest that there is a risk that the official estimates of migration from the A8 countries in recent years could be too low.

— The Office for National Statistics (ONS) definition of population only includes migrants who come to the UK for at least a year. Large numbers of individuals enter the country to study or to work for a period of weeks or months. These “visitors” will not be captured in the official migration and population statistics, and they may contribute to the level of demand and supply in the economy.

— Accurate estimates of the population are important to the Bank in setting monetary policy since it requires an accurate judgement regarding the amount of supply available in the economy and the balance between this and the demand for goods and services. This, in turn, may have important implications for inflation.

— The Bank, along with other key users, was consulted by the ONS when compiling the (interdepartmental) Migration Taskforce Report. The recommendations made in that Report were very welcome, and the Bank continues to look forward to their swift implementation.

— E-Borders data could be used in the construction of migration and population statistics. For our purposes it is not necessary to wait until full coverage of e-Borders becomes available.

— The Bank would like to see the new questions on the month and year of entry into the UK included in the next Census.

MAIN SUBMISSION

Topic 1: Uses and definitions

What are the uses of population estimates, and how far do current population estimates meet the needs associated with those uses? What are the effects of inaccuracies or inadequacies in such estimates?

1. Accurate estimates of the population are important to the Bank in setting monetary policy since it requires an accurate judgment regarding the amount of supply available in the economy and, in turn, the balance between this and the demand for goods and services. This in turn, may have important implications for inflation. Precise measurement of the total number of people in the country is important, but accurate estimates of the age, gender and regional distribution of the population are also important since these more disaggregated estimates are used to weight responses to the Labour Force Survey data and provide information on the population share in work and the population share who are available to work.

2. There is considerable uncertainty around current estimates of population which creates difficulties in judging the supply capacity of the economy. The issues relate to estimates of net migration into the UK in the period since the 2001 Census; the numbers of births and deaths are both well measured. The uncertainty around official migration estimates primarily relates to the International Passenger Survey (IPS) in the construction of the data. The specific issues are discussed in detail in paragraphs 11 and 12.

3. Uncertainty about the extent of migration, and the characteristics of those migrants, makes it more difficult for policy makers to judge the degree of inflationary pressure in the economy. If, for example, immigrants raise aggregate supply more than they raise aggregate demand, then one would expect inflationary pressures to ease for a period of time. For further details see the box entitled “The macroeconomic impact of migration” in the November 2006 Inflation Report.6

4. It is possible that inaccuracies in population estimates could lead to errors in monetary policy, and it is therefore very important for the Bank that the population is measured precisely and in a timely manner so that accurate information can feed into policy decisions. For example, if the Monetary Policy Committee (MPC) were to take a set of population estimates (or projections) at face value which subsequently turned out to over or under-record the number of people in the country, they may over or under-estimate the supply capacity in the economy. Faced with a demand shock the MPC may not change interest rates by as much—or sufficiently—as was required to keep inflation at target.

6 See http://www.bankofengland.co.uk/publications/inflationreport/ir06nov.pdf
5. But being able to identify the degree of uncertainty in the most recent year for which there is official population data is not a sufficient summary statistic on its own. The operation of monetary policy requires us to take a view on the likely future path of supply and demand, and so any difficulties identifying the recent historical path of migration might also feed into official projections. In other words, uncertainty in the recent past potentially increases the uncertainty around our growth and inflation projections as we look further forwards.

How appropriate is a definition of the population based on the usually resident population in the context of the needs of the users?

6. The definition of population used by the ONS—consistent with the definition used by the UN—only includes migrants who change their country of usual residence for a period of at least a year. This may be appropriate for measuring the long-run impact of international migration on the population of the United Kingdom, but it may be too restrictive when thinking about the economic impact of migration. Large numbers of individuals enter the country to study or to work for a period of weeks or months. These “visitors” will not be captured in the official migration and population statistics, and they may contribute to the level of demand and supply in the economy. It is quite likely that the importance of these “visitors” will have changed over time, with the advent of easier/cheaper travel and, particularly, greater European integration. It is therefore important to know how many of these short-term migrants there are in the UK, how long they typically stay, and what their labour market characteristics are.

7. To address this issue, the ONS have recently published some preliminary estimates of the number of short-term migrants in the UK. However, these estimates are also based on the IPS and they suffer from the same problems as the estimates of long-term migration. A very small sample size means that the data are highly uncertain. The Monetary Policy Committee also monitors a broader measure of the number of people present in the UK at any one time that is derived from flows of people into and out of the country by air and sea. This measure will include short-term migrants, although it also includes business travellers, tourists and other transient visitors. The Worker Registration Scheme data are also used to help.

Topic 2: The role of the Census

How does the Census contribute to the creation of population statistics? Is the current frequency of Censuses appropriate and, if not, how frequent should Censuses be?

8. The Census makes an important contribution to the creation of population statistics because it is the most accurate measure of the UK population there is, and it provides a benchmark against which the accuracy of the mid-year population estimates produced since the previous Census can be evaluated. The 2001 Census estimated that the UK population was about 1.2 million less than the mid-2001 projection. Much of this discrepancy is thought to have been a result of underestimation of emigration. This prompted the ONS to launch a Quality Review of migration statistics in an attempt to improve their estimates of this source of population growth. In the light of the evidence suggesting significant increases in net migration in the years after 2001, it therefore seems even more critical that measurement issues that arose in the last Census are appropriately dealt with in the next Census and that the Census itself is sufficiently well resourced.

To what extent is there a trade-off between the length of the Census form and its role in providing population information? What questions should be included in the 2011 Census?

9. The Bank would like to see the new questions on the month and year of entry into the UK included in the next Census. These questions were included in the Census test that took place in May 2007. The responses should help to improve the quality of estimates of net migration since the previous Census, around which there is currently a great deal of uncertainty. It should be noted that a longer Census form may have the undesirable consequence of creating a further delay in the release of the population figures, which in the past have occurred with a significant lag (of over two years).

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8 The estimates for the year to mid-2005 are based on only 120 interviews with migrants flowing into the country and 38 interviews with migrants leaving.
9 For example, see p27 of the February 2007 Inflation Report.
11 For full details see http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/default.asp
Topic 3: Mid-year population estimates

How accurate and useful are the mid-year population estimates for England and Wales, including information available for local authorities and Strategic Health Authorities?

How appropriate is the methodology by which mid-year population estimates are reached?

10. There is a great deal of uncertainty surrounding the current mid-year population estimates. As noted in paragraph 1, the uncertainty relates to the measurement of net migration. Official estimates of international net migration are primarily based on the International Passenger Survey (IPS), a survey of individuals passing through the main UK air and sea ports and the Channel Tunnel. The ONS supplement the IPS with administrative data on asylum seekers and their dependents, and estimates of the migrant flow between the United Kingdom and the Irish Republic; and the ONS make adjustments to account for those whose intended length of stay changes.

11. The IPS is a voluntary survey which questions in excess of 250,000 travellers annually. Of those, approximately 1% are migrant interviews. In 2005 (the last year for which detailed data is available), the IPS statistics on migration were based on interviews with 2,965 people who entered the United Kingdom and 781 people who left. This is obviously a very small sample and is one reason why there are large uncertainties surrounding the official migration numbers. In addition, it is difficult for the survey to keep pace with the dramatic change in the pattern of arrivals seen in recent years, for example in the change in movements between the UK and A8 countries. In 2005, only 94 citizens of the A8 countries were interviewed. Approximately 90% of all migrant interviews took place at Heathrow, with very few interviews taking place at other airports such as Stansted and Luton. Other reasons why the IPS may mismeasure immigration are that: the survey was not designed to measure net migration, it was designed to capture tourism and business travel; participation in the survey is voluntary and immigrants may be less likely to respond (perhaps because of language barriers); and the survey asks about intentions on arrival, not what people actually do.

12. There is a risk that current population estimates could be under-recording the true population. Other sources of administrative data suggest that net migration from the A8 countries may be higher than is recorded in the latest mid-year estimates. The most recent official population data suggest that between mid 2004 and mid 2006 there was a gross inflow of 151,000 A8 citizens into the UK whose intended length of stay was at least one year, and a net inflow of 131,000. Between May 2004 and June 2006, 433,000 A8 nationals registered for work under the Worker Registration Scheme (WRS) and had their application approved. This total will include temporary workers as well as longer term migrants, but it will exclude those who are self employed, students and dependents who are not working, all of whom would be included in the approved. This total will include temporary workers as well as longer term migrants, but it will exclude those who are self employed, students and dependents who are not working, all of whom would be included in the official population data. The ONS supplement the IPS with administrative data on asylum seekers and their dependents, and estimates of the migrant flow between the United Kingdom and the Irish Republic; and the ONS make adjustments to account for those whose intended length of stay changes.

13. The ONS have a work programme currently in progress to address a number of the issues on the measurement of migration highlighted above. Initial work includes increasing the sample of migrants at key ports in the IPS and revising the assumptions on numbers of international migrants whose actual length of stay differs from their stated intentions. More substantial improvements are planned over the longer term. The e-Borders programme will create a systematic register of people entering and leaving the country which can be used to improve the quality of migration statistics. Full coverage of e-Borders is not expected for some time.

14. Population estimates at the local authority level are likely to be less reliable than the aggregate population estimates. They depend on assumptions about internal migration within the UK and about which regions international migrants arriving in the UK will settle in, both of which add additional uncertainty. Internal migration is estimated using data on people changing their GP as a proxy. This adds uncertainty to the estimates because people are not obliged to re-register when they move and there may to be differences in the patterns of registration among different groups and in different periods. Estimates of international migration at a regional level are likely to be even more uncertain than at a national level. One of the key inputs is a question in the IPS about where a migrant expects to live on arrival into the UK. This question relates only to intentions as a migrant arrives in the country, not where they actually settle, and again it adds further uncertainty to the estimates.

13 On 1 May 2004, 10 countries joined the EU. They are the A8 countries (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia) whose citizens gained the right to live and work in the UK, plus Cyprus and Malta whose citizens already had the right to live and work in the UK.
14 For further details see http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/default.asp
What is the right process for making revisions to mid-year population estimates so as to meet the needs of users?

15. Revisions should be made to population estimates when the accuracy of the statistics can be improved. Where methodological improvements are introduced, revisions should be made to the back data as far back as necessary to ensure that consistent comparisons of population can be made over time.

Topic 4: The role of survey and administrative data

What role can and should be played by survey data in the compilation of population statistics?

16. Sample survey data is required in the compilation of population statistics where comprehensive survey data such as the Census or administrative data sources are not available. Sample survey data should be benchmarked against Census type data at regular intervals to evaluate the accuracy of those survey results.

What role can and should be played by data from General Practitioners and other health service data in the compilation of population statistics?

17. Data from General Practitioners is already used in producing population estimates at a local authority level where estimates of internal migration are required. This appears to be the best source of data available for measuring internal migration in between Census years. GP records on the numbers registering who previously lived abroad could be used as a cross-check on the international migration data, and particularly on the regional distribution of international migrants. However, a major limitation of doing this is that the country and region of origin are not collected in the GP records and only those wishing to access NHS services through a GP are likely to register.

What other data sources can and should be used in the compilation of population statistics?

18. There are a range of other data sources available on international migration which may be of use in the construction of population data. National Insurance numbers issued and the Workers Registration Scheme data for A8 nationals are likely to be the most useful sources. Until the arrival of e-Borders there is no obvious replacement for the IPS as the main survey used to measure migration, but given the limitations of this survey already discussed other data sources could be used as a cross-check on the plausibility of IPS based migration data. The main problem with the alternative data sources is that they use different definitions of a migrant to that used in the mid-year population estimates and many can only be used to measure gross inflows rather than net migration. The ONS have already carried out a review of the potential to use these administrative data sources in population estimates. A publication to bring together and report in a coherent manner all the statistics collected across Government on migration and migrants is also planned. The ONS also plan a migration module, as an ad hoc addition to the LFS in 2008.

19. Going forward, e-Borders data could be used in the construction of migration and population statistics. For our purposes, it is not necessary to wait until full coverage of e-Borders is achieved. The data could be used as soon as a sample that is large enough to be representative is available.

Topic 5: Cooperation with stakeholders

How effectively has the Office for National Statistics cooperated with stakeholders with an interest in and information relating to population statistics and how can cooperation be improved by the Statistics Board and by its Executive Office?

20. The ONS cooperates well with the Bank in relation to population statistics. We have quarterly liaison meetings at which issues relating to population and migration statistics can be and are regularly discussed. The Bank, along with other key users, was consulted by the ONS when compiling the Migration Taskforce recommendations. The Bank welcomes the recommendations of the Taskforce, and continues to look forward to their swift implementation. The Bank has also been consulted on its need for migration information from the 2011 Census.

January 2008

16 This was a recommendation of the Migration Taskforce Report.
Supplementary memorandum from Mr Philip Redfern

1. This is in three parts. I) Support for the proposal of A R Thatcher (former Director of OPCS)\textsuperscript{17} that the 2011 census should ask for information only about persons present on census night. That information would be the main element in estimating the resident population of each area. II) The need for a population register. III) Demographic checks on the census results. These last two topics are crucial to the future of population statistics, but the ONS Memorandum to the Committee has little or nothing to say on either of them.

I. THE 2011 CENSUS FORM

2. As Thatcher points out in his Supplementary Memorandum, a form asking only about persons present on census night is simpler for the householder to complete. He does not have to consider who is usually resident at the address but is absent, nor does he have to give details of them. That will nudge up response rates. The fieldwork and processing tasks are reduced in scale and complexity, with significant reductions in cost. Tables of the usual residents in each area (down to postcode level) can be compiled by transferring a visitor back to the postcode of his usual residence.

3. Under the proposal the only residents of this country beyond census reach are those who are abroad on census night. This is an increasing number, probably about two million by 2011. An estimate of their numbers could be obtained from the International Passenger Survey by questioning residents returning to the UK in the days and weeks following census night. The present sample size would yield data on about 4,000 residents absent on census night, and give broad brush estimates by sex, age and area of residence. Whilst this may seem inadequate, it must be compared with the alternative ONS approach in which about one-third of the two millions absent abroad would not be picked up by census questions on absent residents.

4. The proposal to transfer data on a visitor to the postcode of his usual residence dispels the ONS criticism (Ev 216, §5.2.1) that data on migration, resident population and journey to work would be inaccurate. The casualty would be data on household composition which would omit absent residents; but, as noted above, about a third of absent residents would be missed by the ONS approach.

5. The proposal will eliminate the problem of distorted population geography inherent in ONS plans (see Ev 164, §21).

6. On balance, the simplicity of the Thatcher proposal—for the public, for enumerators and at all stages of processing—together with the cost saving more than counterbalance a marginal reduction in the quality of the household composition data.

7. A final point on the census form: the Evidence shows the pressure to add more questions, and ONS refer (Ev 217, §5.2.3) to their bid for funding for an extra page of questions per person. They will achieve that aim at the expense of poorer response rates and threats to the credibility of the basic census counts of the kind that so damaged the 2001 census. Fewer questions must be asked.

II. THE NEED FOR A POPULATION REGISTER

8. The Evidence shows widespread concern about migration figures based on small scale voluntary sample surveys and on disparate and disjointed administrative records, as well as doubt whether “tinkering” with existing migration sources will yield worthwhile results. There is also concern about the reliability of the 2001 census results. There is increasing recognition that the longer term solution is a population register that would coordinate the separate registers held by public agencies—particularly now that the administrative case for such a register has been accepted by the Government. Other countries provide examples of this new approach.

9. Ideas for a population register, leading ultimately to an Administrative Record Census to replace the conventional census, are outlined by the Statistics Commission (Ev 36, §§20–22). The case is developed more fully by David Coleman (Ev 185-188) and myself (Ev 163, §§8–11 and Ev 165, Section II).

10. In 2003 ONS published “Proposals for an Integrated Population Statistics System” which wrote (Section 5.5):

   “From 2013 onwards, the population statistics database would be updated regularly using information from administrative sources, the address register, the population register and surveys, creating a longitudinal database covering the whole population.”

11. This ONS vision quickly evaporated. In 2005 an ONS-led project team (the Citizen Information Project) recommended that a population register should be created centred on the issue of ID cards, with a completion date (and therefore value to statistics) in the 2020s. This plan is now being implemented. The weaknesses of the plan are outlined in my Memorandum (Ev 165, §§26–27) and are well known to ONS, but they are not mentioned in the thin ONS comment on this topic (Ev 220, Section 6.2). Moreover, ONS are

\textsuperscript{17} Ev 39
not now playing a direct part in the development of a population register. If such a register is to provide proper information on migration before the 2020s, then it needs to be pursued with urgency and with a high-powered person in charge.

III. DEMOGRAPHIC CHECKS ON THE CENSUS RESULTS

12. Demographic checks are standard practice in validating census results in any advanced country and may, as in the US 2000 census, lead to population estimates that depart from the census results. But the topic receives scant coverage in the Evidence. The Statistics Commission makes brief references to the check provided by the “roll-forward” from the preceding census (Ev 34, §4 and Ev 35, §13). Coleman (Ev 191–192) notes the low sex ratios in the 1991 and 2001 census results and discusses the demographic checks that ONS made in those years. But the lengthy ONS Memorandum is silent on this important methodology, on which validation of the census results depends.

13. Beginning with the paper I read to the Royal Statistical Society in 2003, I have on four occasions formally put to ONS a demographic check on the sex balance of the 2001 population estimates which finds a deficiency of half a million males in relation to females (HC 326-i, Ev 15, §32). Coleman devotes the final paragraph of his Section headed THE CENSUS (Ev 192) to a description of my check. However, ONS have not replied to any of my approaches nor made any reference to the sex ratio problem in their Memorandum. This is not an adequate response from a professional organisation. The validity of ONS’s measure of the change in the sex ratio needs to tested and the underlying reasons for any change identified.

January 2008

Further supplementary memorandum from Mr Philip Redfern

GETTING STARTED ON A POPULATION REGISTER

1. In their oral evidence to the Committee, ONS argued that mandatory notification of a citizen’s change of address was a prerequisite for a Nordic-style population register (Questions 202, 203, 223). However, I feel that they misrepresented the way that a population register should be created in the UK. Mandatory notification of change of address might come later as one of the finishing touches to a population register that was already up and running. But to put mandatory notification up front—in an attempt to change national culture by legislation—would raise a hornet’s nest in Parliament and the media. In effect we would be setting up a road block that would delay implementation of a Nordic-style system indefinitely. A population register should be designed to work in the interests of the citizenry. It should not be designed around legislation that would be uncomfortable for many people and would probably be widely ignored.

2. A population register should be designed around the following: (1) the demand that public agencies operate in a cost-effective manner; (2) the demand (in data protection legislation) that personal record systems be accurate and up to date; and (3) citizens’ demands for effective and convenient access to public services—for example to be able to notify a change of address to a single agency which would communicate the change to all other agencies.

3. Citizens’ demands were the starting point for the ONS-led Citizen Information Project (CIP). The CIP Report rightly proposed that public agencies should progressively share contact data in the interim period before much of use emerges from the Identity and Passport Service’s National Identity Register (I&P NIR). The contact data (also termed core data) comprise only name, address, sex, date and place of birth and a personal reference number. Such sharing implies the creation of a population register—probably based on the core data held by DWP and using the National Insurance numbers (NINOs) as the personal reference. As the I&P NIR built up in the late 2010s, its core data and the DWP-based population register would be aligned. Incidentally, there is a good precedent for departments to share contact data: for decades now Inland Revenue and Social Security have used the same personal reference, NINOs.

4. Sharing contact data must begin by reconciling contradictory data in the different agencies’ records, and that involves a great deal of computing and manual intervention—and sometimes reference to the citizen. Once the core data are merged, updating is secured by daily two-way exchanges of amending information between the population register and its client agencies.

5. Most citizens are in touch with one or other public agency from time to time, for example with GRO, DWP, HMRC, education and health authorities, DVLA, electoral registration and Council Tax. Citizens are likely to be in touch when they change address, though for some, particularly among the “hard to count”, there will be delays. On these varied occasions citizens will communicate changes of address or name etc to the agency they are contacting, and the changes can then be passed on via the population register to all client agencies. The key point is that a central register linking several client agencies’ core data will be more up to date, particularly on addresses, than any one agency could be if it worked in isolation. The greater the
number of agencies that are linked to the population register, the more accurate and up to date will the contact data become. This was the message drummed into me when I toured most countries of Western Europe on behalf of Eurostat in the 1980s.

6. I don’t know whether legislation is needed to get thus far. Names, sex and date and place of birth are in the public domain. Research is needed to establish whether sharing of address and personal reference numbers requires legal authorisation. (CIP may have studied this.) Regardless of the answer to that question, I believe we would get most of the way towards an effective population register without a legal requirement to notify a change of address. I see such a legal requirement as a finishing touch intended to convert a de facto working system into a marginally better de jure system, coupled with an attempt to draw into the register a minority of “outlaws” trying to stay out of reach of officialdom. (Incidentally it is already a criminal offence for a driver to fail to notify DVLA of a change of address “at once”, but one may doubt whether this is effective in securing prompt notification.)

7. A Nordic-style system embodies an accurate register of addresses.

8. To sum up, the way ahead is not to press for early legislation on notifying change of address. That isn’t needed to get started and is a sure way of bringing the project to a halt. The way ahead is, as the CIP Report advised, to create a population register by getting public agencies to share contact data. Naïvely, the CIP Report passed responsibility for implementation to individual departments and designated nobody to be in overall charge.

9. In truth, departments will not have money in their tight budgets to finance the heavy work of matching and merging core data. This work will need proper funding. It will need commitment from the highest levels in government. It will need a supremo to drive it (and departments) forward. The costs are very high. But the rewards—both administrative and statistical—are much higher still, including perhaps saving the cost of a half billion pound decennial census.

10. Since CIP reported in 2005 little has been done to develop plans for a population register (apart from the longterm plans for the I&P NIR). The longer the delay, the longer we shall have to wait for better migration statistics and for an instrument that will support, or possibly replace, a conventional census.

February 2008

Further supplementary memorandum from Mr Philip Redfern

I have read the oral evidence to the Sub-committee and believe that an important point has been missed in the discussion. The effective use of administrative data to improve population statistics hinges on the data’s accuracy, and therefore depends on the existence of a population register which is uniquely capable of improving data accuracy. Let me spell this out.

Witnesses who appeared before the Sub-committee have urged ONS to explore the better use of administrative data. But these data will yield reliable population statistics only if they are accurate and up to date (qualities demanded by data protection legislation). Witnesses failed to articulate the necessary condition for a step change in data quality; namely, the discipline and inter-agency coordination that a population register would bring to citizens, public agencies and the Statistics Board. Without the coordination provided by such a register, money and effort devoted to the use of administrative data will achieve little.

4 March 2008