



House of Commons  
Treasury Committee

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**Counting the population:  
Government and Statistics  
Authority responses to the  
Committee's Eleventh  
Report of Session 2007-08**

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**Thirteenth Special Report of Session 2007–08**

*Ordered by the House of Commons  
to be printed 11 September 2008*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue & Customs and associated public bodies.

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A list of Reports of the Committee in the current Parliament is at the back of this volume.

### Committee staff

The current staff of the Committee are Colin Lee (Clerk), Sian Woodward (Second Clerk and Clerk of the Sub-Committee), Adam Wales, Jon Young and Jay Sheth (Committee Specialists), Phil Jones (Committee Assistant), Caroline McElwee (Secretary), Tes Stranger (Senior Office Clerk) and Laura Humble (Media Officer).

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## Thirteenth Special Report

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The Treasury Committee published its Eleventh Report of Session 2007-08, *Counting the population*, on 23 May 2008, as House of Commons Paper No. 183. The Statistics Authority response to this Report was received on 25 July, and is appended below. We are also publishing a letter from Sir Michael Scholar to Michael Fallon MP regarding the Award of the Census contract received on 29 August 2008 and the Government response received on 9 September 2008.

### Appendix 1: Statistics Authority response

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We welcome the report into the GSS's effectiveness in counting the population, recognising as it does the increasing difficulties encountered in estimating the numbers of people in an area and on what basis they are there (Paragraphs 1 and 2 of the Conclusions and Recommendations, Paragraphs 7 and 48 of the main text). We attach a high priority to calculating population statistics to the level of accuracy that is needed for the increasingly diverse purposes for which they are now used (Paragraph 3 of the Conclusions and Recommendations, Paragraph 53 of the main text).

We have recognised the need to improve migration and population statistics for some time. Most recently, the National Statistician's Task Force on Migration Statistics identified the key issues in its report, published in December 2006, and made recommendations for a progressive programme of improvements in 2008-2012. A number of improvements were implemented immediately in 2007, including:

- New methods for improved distribution of international migrants between local authorities were implemented in local population estimates in August 2007
- Population churn indicators for local authorities were published in September 2007
- Report published comparing key administrative sources in terms of their potential use for estimating population/migration in September 2007 and May 2008
- Experimental estimates of short-term migration published at national level in September 2007 and updated in May 2008.

A cross-Government programme to improve migration and population statistics was announced to Parliament on 4 February 2008. The programme is being supported and

monitored by a Ministerial Group, jointly chaired by John Healey MP (Minister for Communities) and Liam Byrne MP (Minister for Borders and Immigration).

A senior programme board has been set up to steer the extensive work programme, set priorities and set pace. It is chaired by the National Statistician and comprises senior officials from ONS, Department for Work and Pensions (DWP), Communities and Local Government (CLG), Home Office (HO), Department of Health (DH), the Treasury (HMT), the Bank of England (BoE), devolved administrations and the Local Government Association (LGA). In addition, Statistical Heads of Profession from the key departments provide technical/statistical oversight. The Statistics Authority will assess the quality of the statistics that are produced. Experts and users will be engaged throughout the process.

ONS have also initiated a study into the best way of developing a more integrated system that would improve population statistics in England and Wales following the 2011 Census. This study will examine the use of registers and information from a range of administrative sources. It would provide more frequent detailed statistics on the population through making best use of information already available to government. The UK Statistics Authority fully supports this work.

In relation to the 2011 Census, funding which has now been agreed for a fourth page per person on the Census form will enable ONS to collect the broad range of population and socio-demographic information that is most needed by users (Paragraph 10 of the Conclusions and Recommendations, Paragraph 89 of the main text).

**ONS comments on the specific recommendations to the UK Statistics Authority, in Paragraphs 4 to 16 of the Conclusions and Recommendations of the report, are set out below.**

## Difficulties in counting the population

### *Counting a migrating population*

**1. 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)**

Progress has been made towards sharing administrative data, in the context of the ONS-led cross-departmental Improving Migration and Population Statistics work programme.

The Statistics and Registration Service Act 2007 (SRSA), which came into force on 1st April 2008, allows Ministers to make regulations to enable data-sharing between the Statistics Authority and other public authorities, including government departments and agencies. While its provisions make data-sharing easier they cannot be used to compel departments to share their data. In each case the explicit approval of the Secretary of State responsible for the department involved is required for the proposed sharing of data. The Ministerial Group supporting the Programme has endorsed the use of data-sharing to improve population statistics.

Discussions are taking place with relevant Government Departments to identify data sources that are suitable for linkage and would provide a more accurate picture of the population. Priority requirements have been identified as follows:

- The Schools Census, held by Department for Children, Schools and Families (DCSF), This will improve statistics by allowing ONS to track patterns of internal and international migration in the school-aged population as well as supplying indicators of the impact of migration (e.g. pupil's first language).
- The Migrant Worker Scan, which is an extract of the National Insurance Recording System held by DWP, containing information on all overseas nationals allocated a National Insurance number in order to work or claim benefits.
- The Work and Pensions Longitudinal Study (WPLS), which links benefit and programme information held by DWP on its customers with employment records from Her Majesty's Revenue & Customs (HMRC).

The necessary draft regulations are being prepared in discussion with the departments concerned.

The use of data held by local government is discussed in the response given in Paragraph 6.

### ***Estimating International migration***

**2. 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)**

In 2007, ONS initiated a Port Survey Review which made recommendations for short term improvements and more substantive long term changes. On 12 June 2008 ONS reported on progress. The report can be found at:

[www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/PSRStage2ProgressreportJune08.pdf](http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/PSRStage2ProgressreportJune08.pdf)

It indicates the short term improvements made in early 2008 and the work underway to develop a new survey design with a larger, main migration sample. Data for balance of payments and tourism statistics will be collected through a sub-sample.

Sampling design, questionnaire review, piloting and system development work are in progress and planned during 2008. The new survey will be introduced in 2009.

The interim improvements already made, including better coverage of regional airports, will lead to progressive improvements in statistics from 2008.

### ***Estimating international migration between Local Authorities***

**3. 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)**

A key priority for the cross-Government programme to improve migration and population statistics is the improvement of local population statistics. It will achieve this by implementing the recommendations of the National Statistician's Task Force on

Migration Statistics and of the final report of the ONS Local Authority Case Studies (published in February 2008).

[www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/LAreport.pdf](http://www.statistics.gov.uk/about/data/methodology/specific/population/future/imps/updates/downloads/LAreport.pdf)

Improvements made to the methods and sources in 2007 will have a progressive effect on local authority estimates for subsequent years (e.g. enhanced port survey subsamples). Additional work, being undertaken (with the aim of making improvements in statistics published in 2009), includes:

- Improved methods for distribution of international migration to local authority level, making use of more timely administrative data.
- Obtaining data from the Higher Education Statistics Authority (HESA) to improve estimation of populations in areas with a high proportion of resident students. For the academic year 2007/8, this will include information on student's term-time addresses.
- Further development of the experimental short-term migration estimates to produce them at the local authority level.

Where relevant, improvements will be made to the 2008 mid year population estimates due to be published in 2009. These will also feed into the subsequent population projections.

Work underway that will lead to improvements later in the four year programme includes:

- Sharing of administrative data from School Census and DWP.
- Obtaining information directly from the new NHS Population Demographic System, which includes postcode of residence.

### ***Short-term migration***

**4. 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)**

The need for population estimates based on different definitions was identified in the recommendations of the National Statistician's Task Force on Migration Statistics. As a

result, ONS developed experimental estimates of short-term migration. These were first published at national level in September 2007. ONS subsequently published a report comparing combined short- and long- term migration estimates with key administrative sources on 20 May 2008. As a consequence of this assessment, improvements to the short-term migrant estimates were made. On this basis, the feasibility of producing estimates at a local authority level is now being taken forward alongside work to assess the quality and reliability of such estimates.

ONS have consulted users on the inclusion of questions on short-term migrants and second residence in the 2011 Census. Subject to Parliamentary approval, this would greatly contribute to establishing a baseline for local estimates that use different definitions of population, including short-term migrants and day time populations. The framework for this was described in "Population bases and statistical provision: towards a more flexible future" (Population Trends, 124, Summer 2006):

[www.statistics.gov.uk/downloads/theme\\_population/PT124.pdf](http://www.statistics.gov.uk/downloads/theme_population/PT124.pdf)

**5. 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)**

The development of short-term migrant estimates is being taken forward as described in the response given in Paragraph 4. Obtaining the administrative sources to do this work is described in the response given in Paragraph 1.

**6. 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)**

ONS are working with Local Authorities through the cross-Government programme to improve migration and population statistics (see response given in Paragraph 1). As previously indicated, the senior programme board to drive the work will include senior officials from the LGA. This will ensure that local authority expertise and knowledge feeds into the work programme.

ONS have a strong history of engaging with local authorities in developing population and migration statistics. ONS worked closely with local authorities in undertaking the Local Authority Case Studies. In February 2008, ONS published a final report on these studies (see response given in Paragraph 3). This took account of discussions with local authorities about the wider relevance of the separate reports on each of the local authorities studied. Recommendations from the final report are being taken forward as part of the cross departmental work programme.

On 23 May a joint LGA/ONS workshop was held to provide local authorities with an overview of the cross-departmental programme and discuss local engagement in a number of specific areas of work, making use of relevant data sources. It is envisaged that regular workshops with local authorities will continue to be held throughout the lifetime of the programme.

Initiatives already underway to gain access to specific administrative data sources are described in the responses given in Paragraphs 1, 3 and 11. In particular, ONS is currently working with universities located within five authorities and with HESA to determine how student data might improve population statistics in 2009. It is envisaged that as implementation plans are developed for other data sources, similar focused projects will be taken forward with local authorities and other local agencies (e.g. health).

ONS produces population statistics for local areas on a nationally comparable basis using the best available methods and sources. These are well documented and available on the National Statistics website. It is recognised (see response given in Paragraph 3) that improvements are needed to ensure that these are fit for all the purposes for which they are now used. As improvements are made to the available sources and methods, as a result of the cross departmental programme (see response given in Paragraph 1), information on these best practices will be made widely available. As indicated in the response given in Paragraph 6, ONS will engage with local authorities and others throughout this process to ensure discussion and dissemination of best practice.

As with all National Statistics, the figures are currently produced to a set of standards, based on the Code of Practice. The Statistics Authority has now published proposals for a revision of the Code of Practice

<http://www.statisticsauthority.gov.uk/reports---correspondence/consultations/index.html>

All National Statistics will be produced in accordance with the revised requirements.

To ensure best practice in implementing improvements:

- ONS is committed to thorough and rigorous research methods in developing the new methodologies. The outcomes of this research are subjected to extensive

internal and external quality assurance and consultation, to ensure that best practice is followed, and is made publicly available.

- ONS maintains a list of external experts in demographic fields who may be invited to help in the following capacities:
  - Development of new methodologies
  - Membership of technical committees
  - Authoring of articles on all aspects of demography for Population Trends, committees and other purposes
  - Professional review of internally authored articles and analyses
  - Provision of advice on technical matters
  - Consultation
  - Specifically contracted pieces of specialist research
  
- ONS is working with the Economic and Social Research Council (ESRC) to ensure that appropriate techniques are developed and used. The ESRC have provided £6M funding for a new Centre for Population Change from October 2008 and ONS and GRO(S) will be working closely with the Centre on these issues.

## Beyond 2010

### *The international use of population registers*

**8. 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)**

ONS attaches the highest priority to protecting the confidentiality of personal information. Its uses of administrative data are scrutinised by the relevant Departmental information governance committees. For example, patient data provision is overseen by the NHS Information Governance Board.

The Statistics and Registration Service Act (SRSA) 2007 makes unauthorised disclosure of personal information held by ONS a criminal offence (Section 39).

The Act ensures that sharing of data between the Statistics Authority and other public authorities is for statistical purposes only.

The Act also ensures that data sharing can only be done if it is in the public Interest - information must be provided to show how the proposed disclosure of information is in the public interest, is proportionate and will not breach human rights or other statutory obligations.

The Cabinet Office final report on “Data Handling Procedures in Government” was published in June 2008.

[www.cabinetoffice.gov.uk/reports/data\\_handling.aspx](http://www.cabinetoffice.gov.uk/reports/data_handling.aspx)

ONS along with other Government departments are actively working towards meeting the recommendations. The requirements include both improved security in handling personal or sensitive information as well as reducing the risks of failing to fully exploit the information for the public good. Together these will result in improvements to the safe sharing of data.

See responses given in Paragraphs 1 and 10.

**10. 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)**

There is currently no single population register in the UK or a linked system of administrative sources that allows precise measurement of where people are in the country between censuses. Unlike some countries the UK does not have a comprehensive system of recording migrants, particularly those leaving the country, nor any legal requirement to notify change of address. In those countries that have population registers, with mandatory notification of change of address, the registers are run primarily for administrative purposes by agencies other than the statistical offices. In those countries, for example in Scandinavia, where they are used for the production of population statistics, the register information is made available to the statistics office.

As indicated in the introductory remarks, ONS have initiated a study into developing a more integrated system to improve population statistics in England and Wales following the 2011 Census. ONS is not planning to pilot the operation of a population register alongside the 2011 Census, but will be comparing figures from the Census to a wide range of administrative sources and surveys collected or collated in 2011. This would include linking administrative data at the individual level, where possible. The uses that could be made from such an exercise for the ongoing production of population statistics will be examined. It will include a cost/benefit analysis of the likely benefits to users

(including Local Authorities), and will consider legal aspects of data sharing, ethical issues and public acceptance of the statistical uses of such data.

It will be essential to have good address information, both to conduct the Census and undertake successful linkage of records. ONS is on course to develop a national single address register for one-off use in the 2011 Census. ONS plans to use address sources from Ordnance Survey, Royal Mail and the National Land and Property Gazetteer to produce a single coherent address list. To enhance further the quality of the Census single address register, ONS plans to engage address product suppliers and Local Authorities to resolve address mismatches, including conducting an on-the-ground address checking exercise across significant parts of England and Wales before Census day.

Several administrative registers provide a partial index of the population. These include the NHS central register, the new NHS Personal Demographics Service (PDS) and the National Insurance Recording System (NIRS) which includes a complete register of National Insurance Numbers (NINOs). Specific issues currently limiting the use of these sources are quality of linkage of records over time, gaps and duplication of individual information on the system, timeliness and accuracy of address information and completeness and accuracy of emigration recording.

The Citizen Information Project (CIP), completed in 2005 by a team based within ONS, reported on the value to both citizens and the public sector in greater sharing of contact details (name, address, date of birth, reference numbers) in a secure way across the public sector, including the benefits for the production of statistics.

<http://www.gro.gov.uk/cip/Definition/FinalReportAnnexes/index.asp>

### ***NHS registers***

**11. 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)**

ONS have been in discussion with Department of Health and the NHS about the population statistics uses of the new NHS system since the NHS national programme for IT (NPFIT) was launched. Sharing of patient data for this purpose was explicitly included in Section 43 of the SRSA 2007. It is expected that data from the new system will start to replace the existing supply from health authorities and the NHS central register in 2009.

The Department of Health, ONS and the Information Centre for health and social care are working together to analyse what improvements in patient register information are

needed to support resource allocation and population statistics and how the new systems can help achieve these improvements.

Department of Health is one of the Government Departments involved in the cross-Government programme to improve migration and population statistics. They have given a commitment to undertaking work to support the programme and provide additional cash funding.

### *The future of the Census*

**12. 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)**

ONS have initiated a study into the best way of developing a more integrated system to improve population statistics in England and Wales following the 2011 Census (see response given in Paragraph 10). It is for the Scottish and Northern Ireland authorities to decide the future of Censuses in their countries.

Demand for Census information is higher than ever, both to count population and provide detailed socio-economic information for small subgroups of the population and local neighbourhoods. For the 2011 Census the review of the need for this type of information collected by the Census was initiated and carried out by ONS in 2002. A review will similarly be carried out to determine the best way to meet that need in 2021, taking account of the study into a more integrated system of population statistics and related developments. Given the higher political focus on population and migration, it may be that the review should be a cross-government review.

ONS believe that it is too early to make a firm commitment on whether or not the 2011 Census will be the last. The information traditionally provided by a Census is likely still to be needed in 2021. A traditional Census remains the norm in the majority of developed countries. In terms of timing, the Scandinavian countries took up to 30 years to move from traditional censuses to a register based census because of the need to validate the registers – themselves established in a different legislative and politico / social climate - against the definitive census estimates. Even then, these register-based Censuses do not provide all the socio-economic data on population sub-groups at small area level that is available from a traditional census.

As indicated in response given in Paragraph 10, ONS will be vigorously taking forward feasibility work on the statistical benefits from linkage of individual-level administrative data. The outcomes of this work will provide a steer on whether these data are fit for purpose to replace a traditional Census, and if not what steps would need to be undertaken by government departments to enhance the existing administrative data they hold.

Specific issues currently limiting the use of existing administrative sources and registers are the quality of linkage of records over time, gaps and duplication of individual information on the system, timeliness and accuracy of address information and completeness and accuracy of emigration recording.

ONS will be active in making sure the statistical uses of such new sources are taken into account in their development. In particular, ONS is investigating the statistical use that could be made of proposed government initiatives such as e-Borders and the foreign nationals register/ID card scheme.

Were a 2021 Census to be held, it might be very different from a traditional Census. There are several options. For example, to focus the Census on the headcount and demographic questions only, whilst boosting the Integrated Household Survey, to provide smaller area information on the characteristics of people. This is the approach being taken by the US Bureau of the Census, the culmination of development work spanning more than a decade. All this needs to be considered carefully before any decisions or recommendations are reached.

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## Appendix 2: Letter from Sir Michael Scholar to Michael Fallon MP, the Chairman of the Sub-Committee

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### AWARD OF CENSUS CONTRACT

When I and officials from the Office for National Statistics gave evidence to the Treasury Select Committee inquiry into *Counting the Population* in January, we were not able to give full details of the measures that were planned in order to ensure that US authorities were unable to access personal census information through the US Patriot Act. With a procurement process underway, it was not possible to disclose details of the bidders of proposals to protect data confidentiality and security.

The procurement and approval process has now concluded and, on 28 August, the Office for National Statistics (ONS) announced the award of the contract to provide data processing services to support the 2011 Census to Lockheed Martin UK Ltd.

I therefore wanted to write to you to provide further details of the measures that have been taken to protect data confidentiality and security under this contract. We are explaining the details of these measures to provide strong reassurance to the public in our communication of the contract award.

The measures in place include:

- All Census data is owned by ONS and all of the legal undertakings of confidentiality of personal Census information will apply to both ONS and any contractors. Existing UK law already prevents disclosure of Census data. Under the Statistics and Registration Service Act 2007 it is a criminal offence to disclose personal Census data, punishable by a fine or imprisonment or both.
- All Census employees and contractors working on the Census sign a declaration of confidentiality to guarantee their understanding of, and obligations under, the law.
- All staff who have access to the full Census data set in the operational data centre will be ONS employees.
- Contractual arrangements with Lockheed Martin UK Ltd ensure that only sub-contractors registered and based in the UK and either UK or EU owned will have access to any personal Census data.
- The prime contractor will be Lockheed Martin UK Ltd. Lockheed Martin UK will design the processing systems for ONS using its expertise and past experience. The day to day running of operational services will be provided by a consortium of specialist service providers. All of these specialist subcontractors are registered and owned in the UK or elsewhere in the EU.

- This contractual structure means that no US companies, and no employees of any US companies, will have any access to any personal Census data.
- No Lockheed Martin staff (from either the US parent or UK company) will have access to any personal Census data.
- Personal Census data will be classified information, and will be processed in the UK and remain in the UK; physical and system access to all such data will be rigorously controlled and authorized by ONS employees.

We have put these contractual and operational arrangements in place to ensure that US authorities are unable to gain access to census data through the Patriot Act.

Please do get in touch if you would like to discuss this further.

Sir Michael Scholar, KCB  
Chair of the UK Statistics Authority

29 August 2008

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## Appendix 3: Government response

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The Government is committed to helping to improve the accuracy of the population estimates produced by the Office for National Statistics (ONS), particularly at a local level. The National Statistician is leading the cross-departmental Improving Migration and Population Statistics Programme that includes improving the sharing of administrative data across government. The programme is being supported and monitored by a Ministerial Group, jointly chaired by John Healey (Minister for Local Government) and Liam Byrne (Minister for Borders and Immigration). The senior programme board, set up to steer the extensive work programme, comprises senior officials from the Office for National Statistics, Department for Work and Pensions (DWP), Communities and Local Government (CLG), Home Office (HO), Department of Health (DH), Department for Innovation, Universities and Skills (DIUS), Department for Children, Schools and Families (DCSF), devolved administrations and the Local Government Association (LGA). The UK Statistics Authority will ensure the quality of the statistics that are produced.

The Government welcomes the Committee's report and their support for the UK Statistics Authority in improving population statistics. The Government shares the Committee's recognition that accurate local population statistics are vital to the successful funding and delivery of public services.

While many of the Committee's recommendations are for the UK Statistics Authority to respond to, it is appropriate for the Government to maintain an overview of this important area of work. The Government's response to the conclusions and recommendations in the Committee's report is set out below. The UK Statistics Authority will respond separately.

### Introduction

#### *The Statistics Authority, the Treasury and the Cabinet Office*

**1. 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. (Paragraph 7)**

The Government notes that responsibility for scrutinising the UK Statistics Authority and its executive office, the Office for National Statistics (ONS), has passed to the Public Administration Select Committee.

## How the population is counted

### *Meeting the needs of the user*

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)

The Government notes and agrees with this observation.

## Why accurate population statistics matter

### *Implications for economic uses*

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)

The Government notes and agrees with this observation.

## Difficulties in counting the population

### *Counting a migrating population*

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)

A good deal of work is going on across government to improve the sharing of administrative data to improve migration and population statistics. This programme of work is being monitored and supported by a Ministerial Group chaired by the Minister for Local Government and the Minister for Borders and Immigration. In addition, the Government is keen to use the data sharing provisions in the Statistics and Registration Service Act 2007 to improve the use of administrative data for statistical purposes by removing legal barriers to such sharing where it is in the public interest to do so.

### ***Estimating international migration***

**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 more comprehensive survey that is more suited to the accurate measurement of international movements affecting the size of the resident population in the United Kingdom. (Paragraph 67)**

The Government has noted the UK Statistics Authority's plans for improvement. It regards these as an appropriate way forward for enhancing the IPS' contribution to improved migration statistics and has been reassured that other statistics that are currently derived from the International Passenger Survey, such as those for balance of payments and tourism, will continue to be produced to the same standard as now.

### ***Estimating international migration between Local Authorities***

**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 allocating 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 reflect the full range of information available about local populations and the effects of internal migration. (Paragraph 71)**

The Government has recognised the need to improve migration and population statistics. A cross-Government programme to improve migration and population statistics was announced to Parliament on 4 February 2008. A ministerial group is working to support and monitor the National Statistician's implementation of a progressive programme of improvements planned for 2008-12.

**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)**

The Government notes the UK Statistics Authority's response and is working with it to deliver the planned improvements.

**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 that 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)**

We are working with the UK Statistics Authority to assess the potential for administrative data sources, such as the National Insurance number register, GP lists, other health service lists, council tax records and other registers on children and schools, to improve estimates of population and migration, and to develop arrangements for data sharing. Each source has strengths and limitations and none of the sources provides a perfect measure of population or migration in its own right. However, the ONS-led, cross-government, Improving Migration and Population Statistics Programme will consider how they might collectively be used to produce better estimates of migration and population.

**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)**

We are working with the UK Statistics Authority to assess the potential for these administrative data sources to improve estimates of population and migration, and to develop arrangements for data sharing. Each source has strengths and limitations and none of the sources provides a perfect measure of population or migration in its own right. However, the ONS-led, cross-government Improving Migration and Population Statistics Programme will consider how they might collectively be used to produce better estimates of migration and population.

The Government is already developing measures under the data sharing provisions in the Statistics and Registration Service Act 2007 to improve the use of administrative data for statistical purposes by removing legal barriers to such sharing where it is in the public interest to do so.

The Government notes the recommendation for a best practice guide and the UK Statistics Authority's response.

## Preparing for the 2011 Census

### *Length of census questionnaire*

**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 needed to finance this page would be provided through cross-government funding and we welcome this development. (Paragraph 89)**

The Government agrees that it was important to provide funding for a fourth page.

**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)**

As made clear in the UKSA response, ONS is developing a national single address register for use on the 2011 Census using sources from Ordnance Survey, Royal Mail and the Improvement and Development Agency (ie the National Land and Property Gazetteer) to produce a single coherent address list.

ONS intends to share the address intelligence gained prior to the Census with address product suppliers (where consistent with legislation) to help improve the quality of their address lists.

The Department for Communities and Local Government has noted in its statement on 1 June 2007 that there have continued to be improvements in the main address products produced by the Ordnance Survey and the Improvement and Development Agency and it expects these to continue. We also noted that, although there are still challenges posed by addressing, local authorities are able to deliver efficiencies and government departments are able to deliver their business without a single national address register.

The Government will follow closely the work ONS is doing to create a single address register for the 2011 Census, and will consider as part of its Transformational Government strategy the possible wider use of this register and the process and responsibilities for maintaining the data once collected.

A review of the trading funds' business model was announced in Budget 2008. One of the aims is to ensure that information required by Government for public policy is available as widely as possible in order to maximise the benefits to the wider UK economy, at a price that balances the provision of such access with the need for users to make a fair contribution to the cost of collecting the information in the long term.

### ***Census delivery contract***

**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)**

The Government places the highest priority on keeping personal information gathered in the Census confidential. Under the Statistics and Registration Service Act 2007 it would be a criminal offence for anyone with access to Census data to disclose it without legal authority.

In the contract that was announced on 28 August with Lockheed Martin UK, ONS has put in place additional contractual and operational arrangements to reassure the public that US authorities will not be able to gain access to census data through the Patriot Act.

As the ONS has set out, those arrangements include the following:

- All Census data will be owned by ONS;
- All data will remain in and be processed in the UK;
- All legal undertakings about the confidentiality of personal Census information will apply to both ONS and any contractors;
- Contractual arrangements with Lockheed Martin UK ensure that only sub-contractors registered and based in the UK and either UK or EU owned will have access to personal Census data;
- No US companies or their employees will have any access to Census data;
- No Lockheed Martin staff (from either the US parent or UK company) will have access to any personal Census data;
- All census employees and contractors working on the Census will sign a declaration of confidentiality to guarantee their understanding of, and obligations under, the law;
- Staff with access to the full Census data set or substantial parts of it will have to be security cleared to a high level, equivalent to that required to handle material classified as 'Secret' under the UK Government's classifications; and
- All staff who have access to the full Census data set in the operational data centre will be ONS employees.

The Government is satisfied that the safeguards that the ONS has put in place are sufficient to provide the necessary reassurance to the public about the confidentiality of their data. It is established practice not to publish legal advice obtained for the purpose of public procurement contracts. The Government does not consider it necessary or appropriate to consult the US authorities on this issue.

## Beyond 2011

### *The international use of population registers*

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 (SRSA) has established a framework 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 to set out in response to this report the action that the Authority will take under the powers of the SRSA to develop the Government's administrative databases to provide a more accurate and cost effective method of monitoring the population. (Paragraph 139)

The Government's Data Handling Review published on 25 June 2008 announced four major categories of change that aim to strengthen existing data security policies. These are:

- **Core measures** – A series of mandatory minimum measures, including encryption and compulsory testing by independent experts of the resilience of systems, is being put in place across government.
- **Cultural change** – All civil servants dealing with personal data are to undergo mandatory annual training.
- **Stronger accountability** – Data security roles within departments are being standardised and enhanced to ensure clear lines of responsibility.
- **Increased scrutiny** – Departments will report on their performance, the National Audit Office will look at what they say, and the Information Commissioner is already planning his first spot checks.

The Thomas-Walport Review of Data Sharing, published on 11 July 2008, concludes that greater use could be made of the ability to share personal data safely, particularly in the field of research and statistical analysis. The aim is to develop mechanisms that will enable population-based research and statistical analysis for public benefit, whilst safeguarding the privacy of individuals.

The Government will consider on their merits any requests from the National Statistician for improvements to administrative databases. The Government is already, in association with the UK Statistics Authority, developing measures under the data sharing provisions in the Statistics and Registration Service Act 2007 to improve the use of administrative data for statistical purposes by removing legal barriers to such sharing where it is in the public interest to do so. The Minister for the Cabinet Office will lay

proposals before Parliament as soon as the statistical, legal and policy preparations are completed.

**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)**

The Government notes the recommendation and the UK Statistics Authority's response. It looks forward to seeing the results of the ONS study into the best way of developing a more integrated system to improve population estimates.

### ***NHS registers***

**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)**

The Department of Health is one of the Government departments involved in the cross-government programme to improve migration and population statistics. The department has been in discussion with the ONS about the population statistics uses of the new NHS system. The Statistics and Registration Service Act 2007 explicitly allows the sharing of patient data for this purpose (Section 43).

### ***The future of the census***

**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)**

The Government notes the recommendation and the UK Statistic Authority's response. It looks forward to seeing the results of the ONS study into the best way of developing a more integrated system to improve population estimates. It agrees with the UK Statistics Authority that it is too early to make a firm commitment beyond 2011.

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