

Assessment of compliance with the Code of Practice for Official Statistics

Statistics on National Insurance Number Allocations to Adult Overseas Nationals

(produced by the Department for Work and Pensions)

Office for Statistics Regulation

We provide independent regulation of all official statistics produced in the UK. Statistics are an essential public asset. We aim to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

We do this by setting the standards they must meet in the *Code of Practice for Official Statistics*. We ensure that producers of government statistics uphold these standards by conducting assessments against the *Code*. Those which meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. We also report publicly on system-wide issues and on the way statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

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Executive Summary

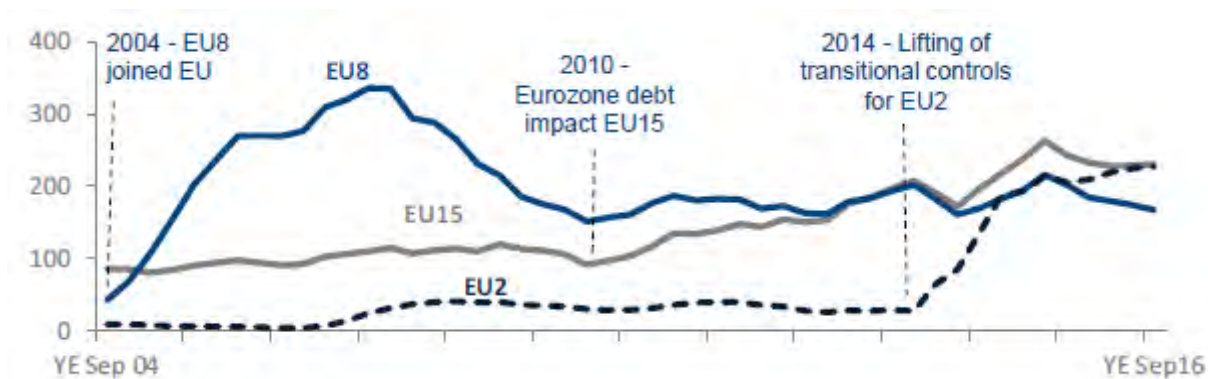
Subject of the Assessment

ES.1 The report covers the statistics produced by the Department for Work and Pensions (DWP) about National Insurance Number (NINo) registrations and reported quarterly in *National Insurance number allocations to adult overseas nationals (NINo Allocations)*¹, and annually in *Nationality at point of NINo registration of DWP working age benefit recipients (NINo Benefit Claimants)*², along with the related commentary that is published in the August publication of *NINo Allocations*³.

Public value statement

ES.2 Statistics on National Insurance Number (NINo) registrations are produced to measure the volume of adult non-UK nationals registering for a NINo. However, they are frequently used to understand the level of inward migration to the UK for work purposes, by country of origin or world area, and are commonly used alongside the other migration releases published by Office for National Statistics (ONS) and the Home Office (HO). There is also a wider demand for analyses based on these data as proxy measures of international migration to the UK. As such, they were one of the key statistical sources used in public debate about immigration ahead of the referendum on the UK's membership of the European Union.

Figure 1: NINo Registrations to EU nationals¹, thousands



EU2 is comprised of Bulgaria and Romania; EU8 is comprised of Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia; EU15 is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom

Source: *National Insurance number allocations to adult overseas nationals to September 2016*, DWP.

¹<https://www.gov.uk/government/statistics/national-insurance-number-allocations-to-adult-overseas-nationals-to-september-2016>

²<https://www.gov.uk/government/statistics/nationality-at-point-of-nino-registration-of-dwp-working-age-benefit-recipients-data-to-feb-2016>

³<https://www.gov.uk/government/statistics/national-insurance-number-allocations-to-adult-overseas-nationals-to-june-2016>

Strategic perspective

- ES.3 While the stated ambition of these statistics covers the narrow scope of simply reporting the number of NINO registrations to adult overseas nationals, these statistics have the potential to contribute much to society's understanding of international migration to the UK. NINO statistics contain valuable information to help identify more definitively the number of NINOs that are allocated to non-UK nationals who are currently either in work or claiming benefits in the UK. Being able to reliably determine such a figure would provide greater clarity about actual levels of migration to the UK, and could help to resolve longstanding concerns about the accuracy of ONS's long-term international migration (LTIM) estimates. This demand is beyond DWP's departmental remit, so realising the full potential of these data will require collaborative working across the Government Statistical Service (GSS). The collaborative work that DWP has already carried out with ONS, HM Revenue and Customs (HMRC) and HO ahead of the EU referendum to help explain and quantify the differences between the various data sources used to measure migration has been encouraging^{4,5}.
- ES.4 In the context of the UK's departure from the EU the level of public interest in migration remains extremely high, as does the need to paint as full a picture as possible of the patterns of international migration to the UK, both ahead, and following the UK's eventual exit from the EU. The National Statistician has committed to lead and coordinate further development work in this area to provide much needed insights into the patterns of international migration to the UK as a whole. This work will require the continued collaboration and cooperation from across the relevant government departments – ONS, DWP, HMRC, HO. We encourage DWP to participate fully in the work being led by the National Statistician to further enhance the value that can be made of the NINO statistics in this area. The Director General for Regulation has also written to the National Statistician to express his concerns about the need for further progress on this issue⁶.
- ES.5 This assessment is part of a broader programme of work to monitor how well statistics produced by government on migration are meeting users' needs.

Decision on National Statistics status

- ES.6 National Statistics (NS) status means that official statistics meet the highest standards of trustworthiness, quality and public value and comply with all aspects of the Code of Practice for Official Statistics. National Statistics status is awarded by the UK Statistics Authority (The Authority) on the advice of the Office for Statistics Regulation. The Office for Statistics Regulation undertakes an assessment which considers whether the statistics meet the required standard.

⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/methodologies/differencesbetweeninternationalpassengersurveyandnationalinsurancenumbersstatisticsasshowninthemigrationstatisticsquarterlyreport>

⁵<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/notesonthedifferencebetweennationalinsuranceregistrationsandtheestimateoflongterminternationalmigration/2016>

⁶ <https://www.statisticsauthority.gov.uk/correspondence/nino-allocations-to-adult-overseas-nationals>

- ES.7 In coming to its decision, the Office for Statistics Regulation notes that there are: (a) steps that DWP can only take in collaboration with others; and (b) steps to improve the statistics themselves – which can help contribute to (but of course not resolve) broader questions. It is with regard to these latter issues – those about the statistics in themselves – that we make our decision about National Statistics designation. More widely, NINOs is a valuable data source and there is a demand for it to be used to produce a wider set of statistics, in particular statistics on the number of people issued with a NINO who have shown activity in the UK tax and benefits systems (these will be referred to as ‘active NINOs’ throughout this report). The demand for these statistics will be addressed as part of the collaborative work being led by ONS, in conjunction with DWP, HMRC and HO, which aims to better understand how administrative data sources can be used to inform analysis on migration. The Office for Statistics Regulation welcomes DWP’s contribution to this work so far and expects it to continue to share its expertise, and data where appropriate, to ensure the value of the NINOs statistics are maximised.
- ES.8 The Office for Statistics Regulation notes a good level of user acceptance of the statistics published in *NINO Allocations* and *NINO Benefit Claimants*, but limited user engagement beyond DWP itself. The context within which the statistics sit needs to be recognised and described more fully. At present users are provided with very limited guidance on what these statistics can and cannot be used for; and very limited material on quality. As a result of these limitations, and in the context of the broader public interest in these statistics, the Office for Statistics Regulation judges that the statistics published in *NINO Allocations* should have their National Statistics designation temporarily suspended for a short period while DWP assures users that these limitations have been addressed. These limitations all relate to issues within DWP and do not require collaboration with other government departments. We therefore expect this short period to be no longer than three months. Once we have confirmed that appropriate actions have been taken by DWP to meet the Requirements listed in Tables 1-3 of this report, the statistics published in *NINO Allocations* may be re-designated as National Statistics, and the statistics published in *NINO Benefit Claimants* may be designated as National Statistics. DWP is expected to report to the Office for Statistics Regulation the actions that it has taken to increase public value, quality and trustworthiness by 30 April 2017. (Annex 4 provides information about the reporting process).
- ES.9 Reflecting the importance of achieving the National Statistics designation, and to provide users with confidence in the direction of travel, the Office for Statistics Regulation expects DWP to publish alongside the statistics a clear statement explaining their National Statistics status, the reasons for removal of the National Statistics designation, and its plan of proposed actions to increase public value, quality and trustworthiness.

Key findings

PUBLIC VALUE

- ES.10 The main purpose of the statistical reports on NINOs is to measure the DWP process for allocating NINOs to overseas nationals. The key users are therefore those within government; the statistics team has good relationships

with these users. DWP engages less well with users outside government. DWP could add more value to these statistics by explaining better the context within which the statistics sit, and by providing more information about the quality of the statistics and guidance on what these statistics can and cannot be used for.

QUALITY

ES.11 The process of allocating NINOs to overseas nationals is complex. The data are passed through a number of different teams in both DWP and HMRC, with a variety of quality assurance checks carried out at each stage of the process. However, there is little published documentation explaining the data journey, or the quality assurance that takes place, which would help users to understand the strengths and limitations of the statistics. While *NINo Allocations* and *NINo Benefit Claimants* do include some information on the limitations of the data, more needs to be done to help users' interpretation of the statistics and their understanding of the quality of the statistics, and the limitations of them.

TRUSTWORTHINESS

ES.12 *NINo Allocations* and *NINo Benefit Claimants* present the statistics impartially and objectively, with the data tables easily accessible from DWP's website and its StatXplore tool. However, the lack of transparency around the NINOs data source and what additional data and analysis are available from DWP, have led some users to question the trustworthiness of DWP statistics generally and NINOs statistics specifically. A number of users also expressed concern about ad hoc analysis of NINo data being released to the Press before being made available to the public. Against a background of public concern it is important that DWP takes action to demonstrate its commitment to trustworthy statistics.

Chapter 1: Public value

Context

- 1.1 DWP produces statistics on National Insurance Number (NINo) registrations primarily to measure the volume of adult non-UK nationals registering for a NINo (see figure 1). However, there is a wider demand to use them as proxy measures of international migration to the UK. For example, they are frequently used by central and local government to establish the level of inward migration to the UK for work purposes, by country of origin or world area, and are commonly used alongside the other migration releases published by ONS and the Home Office (HO). They were also one of the key statistical sources used in public debate about immigration ahead of the referendum on the UK's membership of the European Union. The statistics have become the focus of considerable public interest, particularly in terms of the demand for them to be used to identify more definitively the number of currently active NINos that are allocated to non-UK nationals. Being able to reliably determine such a figure would provide greater clarity about actual levels of migration to the UK, and could help contribute to the debate on longstanding concerns about the accuracy of ONS's long-term international migration (LTIM) estimate.
- 1.2 Statistics based on NINo registrations are used by a range of users, including central and local government, pressure groups, academia and the media. They are widely used by government to inform strategic planning and policy formation, and to understand changes in the registration volumes for certain countries and areas through an informed analysis of the latest trends. Some of these analyses are produced in response to confidential enquiries, but others are included in publications available to the general public. Central government policy areas use NINo statistics to produce ministerial submissions, and to respond to media enquiries, Freedom of Information (FOI) requests and parliamentary questions (PQs). Users in devolved administrations re-publish NINo registrations data in local migration reports alongside information on different migration indicators to allow their users to compare the different sources in one place, and use the statistics for quality assurance purposes when producing their own migration estimates.
- 1.3 NINo statistics are also used by academic users, as they contain more detail about individual nationalities than estimates derived from the International Passenger Survey (IPS), the Labour Force Survey (LFS) or the Home Office's quarterly immigration release. Academics are also able to disaggregate the statistics on NINo registrations and NINo benefit claimants to provide counts of people claiming particular benefits, as well as the numbers of people registering for NINos, at local authority or parliamentary constituency level.

Findings

Presentation and commentary

- 1.4 *NINo Allocations* includes various charts, tables and maps to aid interpretation of the statistics. DWP used feedback from a GSS consultation on effective presentation of tables and graphs, to make changes to the layout of *NINo Allocations March 2015*, with the help of the GSS data visualisation team. The changes have generally been well received by users within DWP, and the ONS

migration statistics team is considering adopting some of these changes to revise the format of the MSQR, in order to make it more streamlined. However, there has been no feedback from users outside DWP on the changes to the layout of *NINo Allocations*, although DWP told us that it has received positive feedback from the wider DWP user community on the standard template that is now being used to present DWP statistical publications.

- 1.5 It is sometimes unclear how the commentary relates to the tables and charts. For example, a pie chart in *NINo Allocations* June 2016 (see figure 2) showing where NINo registrations are from does not contain a clear title, and does not make it clear what time frame the data is referring to. The commentary overall does not add context to explain why the statistics are important and what information they are providing. The NINos statistics are used to inform debate on immigration, to help counteract the known limitations of other data sources such as the International Passenger Survey (IPS) carried out by ONS. *NINo Allocations March 2016* and the NINos landing page on DWP's website⁷ contain links to related documents produced by ONS, such as the MSQR, the 'Sources of migration statistics' article⁸, and 'Note on the differences between National Insurance number registrations and the estimates of long-term international migration 2016'⁹. However, the commentary in *NINo Allocations* does not explain their relevance to NINo statistics in any detail, or the role that the NINo statistics play in informing the debate on immigration.

Figure 2: Example of chart from *NINo Allocations*, December 2016



Source: *National Insurance number allocations to adult overseas nationals to September 2016*, DWP.

⁷ <https://www.gov.uk/government/collections/national-insurance-number-allocations-to-adult-overseas-nationals-entering-the-uk>

⁸ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/methodologies/differencesbetweeninternationalpassengersurveyandnationalinsurancenumbersstatisticsasshowninthemigrationstatisticsquarterlyreport>

⁹ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/noteonthedifferencebetweennationalinsurancenumbersregistrationsandtheestimateoflongterminternationalmigration/2016>

- 1.6 The commentary in *NINo Allocations* also does not explain the reasons for short- or long-term trends seen in the data, particularly for specific nationalities. Some of the charts are annotated to highlight key events (for example, see figure 1 at paragraph 1.1), but there is no explanation of how these events impact on the statistics, and whether any subsequent change in the statistics was directly related to that key event. For example, there is no context provided on the large increase in overall NINo applications since 2014 (see paragraphs 2.4-2.5). The statistics team told us that the increase was primarily due to increases in registrations for individuals from Romania and Bulgaria (EU2 countries) following their accession into the European Union. DWP published analysis of this in May 2014¹⁰, as part of the cross-Government project to reconcile NINo registrations estimates with LTIM. It shows that the sharp rise in NINos was likely to be due to people from these countries being able to work in the UK. However, the only explanation for this that is provided in the latest reports is the annotation of a chart on NINo registrations to EU nationals in the year to June 2016, which states ‘2014 - Lifting of transitional controls for EU2’.
- 1.7 DWP could increase the public value of the statistics by adding more explanatory context to the most recent publications to help explain the reasons for large increases in NINo registrations from 2014. Also, *NINo Allocations* highlights the break in the time series that was due to a change in the NINo registration process (see paragraph 2.4), saying that comparisons should be treated with caution. However, it does not explain what changes were made, how this may have impacted on the statistics, or any indication of the magnitude of this change. Additional commentary would be also be useful to clearly distinguish between the increases that were due to the EU2 work restrictions being lifted and the potential effects of changes to the NINo registration process over the same period, and in relation to increased processing rates.

User engagement and statistical planning

- 1.8 The statistics team engages well with users within DWP, holding regular meetings with policy colleagues to discuss their statistical needs. The team also engages regularly with users in other central government departments, such as ONS, HMRC and HO, to discuss the use of data from each of the departments in the measurement of migration, and attends the quarterly cross-government Migration Statistics Working Group (see paragraph A1.6). There is also a NINo board which has quarterly meetings that are attended by senior officials across DWP and HMRC (see paragraph A1.7). The statistics team contributes papers to this board as required. DWP’s engagement with users outside central government is less proactive. The main method for proactively engaging with users is via the RSS Migration Statistics User Forum conference, which is part of StatsUserNet¹¹ (see paragraph A1.8). DWP also engages with a few key users from academia. However, it is not clear how this engagement impacts on the outputs produced by the statistics team, or its understanding of the needs of the wider user community, such as voluntary sector bodies and think tanks. DWP does not consult with users on the work programme or

¹⁰ <https://www.gov.uk/government/statistics/national-insurance-number-allocations-to-adult-overseas-nationals-entering-the-uk-to-march-2014>

¹¹ <http://www.statsusernet.org.uk/home>

priorities for the year. However, DWP told us that it has many unilateral meetings with specific users to identify users' needs. For example, the statistics team meets with ONS to discuss their data requirements from the Migrant Workers Scan (MWS), which is used to estimate local migration figures. DWP also meets with HMRC analysts, and has previously met with HO as part of operational work to assess the legitimacy of non-EEA nationals claiming benefits.

- 1.9 DWP told us that there are many routes open for users to comment on statistical priorities. For example, there is a contact email address in the statistical reports and on the section of the Gov.uk website where the statistical reports and any associated documentation are published. However, the statistics team told us that it is used infrequently by users. Contact with external users mostly comes in the form of FOI requests, or via DWP's StatXplore tool¹² (where NINOs statistics are published – see paragraph A2.8) and the StatsUserNet mailing lists. The statistics team uses information gathered from these fora to identify who their potential users are and to inform them of any new published data, or any changes that have been made. DWP uses the information from StatXplore, StatsUserNet and FOI requests to determine users' needs. If DWP considers that there is sufficient interest in a particular set of data then it produces pre-set tables which are added to the statistical report and StatXplore. For example, the user demand for analysis on NINOs who are benefit recipients led to *NINo Benefit Claimants* being published on an annual basis, and to the dataset being extended to make it into a time series.
- 1.10 DWP published its Customer Service and Engagement Strategy¹³ in June 2010, which includes a summary of key users of DWP statistics. *NINo Allocations* also includes a short list of users of the NINo statistics. However, there is no published information on the uses of the data, the types of decisions that they inform or on users' views or experiences of using the data. There is limited evidence of other proactive user engagement by DWP or evidence of where DWP has received feedback from users concerning their views about the NINo statistics.
- 1.11 DWP has not carried out any recent user consultations itself. However, ONS has recently carried out a consultation on international migration statistics outputs, which included questions on current users and uses of NINo statistics, and some specific questions on what types of NINo analyses users would like to see in future and why. This consultation was led by ONS, but was carried out on behalf of other government departments who contribute to the MSQR or publish separate National Statistics relating to migration – DWP, HO and HMRC. Users were informed of the consultation via StatsUserNet and the ONS website¹⁴. However, DWP did not consult its users directly and did not make any information about the consultation available on its website. We welcome the cross-government approach that is being taken to address users' needs on migration statistics, but consider that DWP should have been more proactive in informing its users of this ongoing work and encouraged them to contribute to this consultation as part of its own user engagement activities.

¹² <https://stat-xplore.dwp.gov.uk/>

¹³ <https://www.gov.uk/government/statistics/customer-service-policies-and-procedures-for-dwp-statistics>

¹⁴ <https://www.ons.gov.uk/aboutus/whatwedo/statistics/consultationsandsurveys/allconsultationsandsurveys/consultationoninternationalmigrationstatisticsoutputs>

This could have included emailing its users and making the consultation more visible on its website.

- 1.12 *NINo Allocations* May 2016 includes a link to the analytical paper on the work that has been carried out to reconcile the NINOs data with the ONS immigration data. However, the report did not include any information about the implications of this work for the future development of NINo statistics methods. It will be important for DWP to be clear with its users as this cross-government reconciliation work develops about any implications it may have for the use and interpretation of the NINo statistics.
- 1.13 Taken as a whole, while the statistics team has good relationships with users within DWP, as well as key officials in ONS, HMRC and HO, it does not have sufficient engagement with users outside government. DWP told us that there were many routes open for users to comment on its statistical priorities, but we consider that a more proactive and coordinated approach to engagement with non-government users is critical to enhance DWP's understanding of users' needs and ensure the relevance of the statistics is maintained. For example, the current demand from users highlights a need for more information on the number of NINOs that are currently active, either due to the recipient being in work or claiming benefits, and how long those claiming benefit receive those benefits for.

Accessibility and availability

- 1.14 Many users told us that they felt that more NINOs data should be made available. Users responding to the regulatory team's user consultation recognised that *NINo Benefit Claimants* offered considerable potential for additional analysis, primarily as it provided information on whether the NINOs are currently active. However, the statistical methods and analysis have not been further developed since they were originally created in 2012¹⁵. Users suggested a number of ways that they would like to see the *NINo Benefit Claimants* methods and analysis developed further. These included:
- the inclusion of alternative benefit hierarchies
 - longitudinal and other analysis over a number of years, in addition to 6 months after NINo registration
 - the inclusion of in-work benefits such as housing benefit and tax-credits and benefits claimed by the non-working age population
 - the production of linked non-hierarchical counts for multiple benefits
 - the inclusion of the number of active NINOs by the nationality of benefit claimants at point of NINo registration to allow rates of those claiming benefits by nationality to be calculated
- 1.15 Users were also interested in the potential for additional analysis from *NINo Allocations*. This included exploring the potential for including additional characteristics and variables from the raw administrative sources such as: reasons for NINo registration, ethnicity, country of birth, age, gender, skills,

¹⁵ <https://www.gov.uk/government/statistics/national-insurance-number-registration-of-dwp-benefit-claimants>

occupation, industry and qualifications. DWP told us that it is 'limited by the information collected for an operational purpose – adding questions purely for statistical purposes needs to be weighed carefully with the cost and potential for backlogs in an operational process' and that 'such information would always be flawed as we would have no means of corroborating the information provided by applicants'. DWP also told us that producing some of these types of analysis, such as those on active NINOs, is both a timely and a costly process, since it requires matching data from DWP with data from HMRC in order to cover the range of possible activity. The data sets and IT systems involved are complex, it is not easy to access the relevant information, and a business case is required to link the data sets since they require access to unencrypted NINO data. Due to limited resource, the statistics team told us that it has to balance priorities between producing essential outputs for DWP and other development work such as this.

- 1.16 We agree that it is important for DWP to weigh up the costs and benefits of any developments. However, the high profile nature of these statistics and the increased demand from users for more information on this topic, make it a priority area for development and we encourage DWP to look for ways that it can meet demand in a cost-effective way. For example, DWP could make more data available to the public, possibly via the Administrative Data Research Network¹⁶, which would enable users to produce their own analyses. The responsibility for producing robust migration statistics falls primarily to ONS, and the National Statistician has committed to leading a programme of work to ensure that there is collaboration across the relevant government departments – DWP, ONS, HMRC, HO – to help to deliver more useful statistics on migration. We expect DWP to contribute its expertise and relevant data to this work to maximise the potential value of the data that it owns. The Director General for Regulation has also written to the National Statistician to express his concerns about the need for further progress in this area¹⁷.
- 1.17 There is currently a lack of clarity for users around what NINO-related data sources are available, either from DWP, HMRC, HO or ONS, and how these data could be utilised. The departments do share information with each other in order to carry out specific analysis. However, it is not clear to the public what these data sharing arrangements are. The statistics team told us that it receives lots of FOI requests which involve the use of NINOs data, which may indicate that the current outputs are not meeting users' needs. DWP told us that many of these FOI requests were not directly linked to the NINO registration process, but were related to the wider use of NINOs as an indicator of migration flows in and out of the UK. Also, a number of users told us that they have requested additional data from DWP on NINOs, particularly on the number of active NINOs, but have found it difficult to obtain access to the data or associated documentation. For example, DWP has published two ad hoc releases identifying the active NINOs of EEA benefits claimants^{18,19}. While

¹⁶ The Administrative Data Research Network gives trained social and economic researchers access to linked, de-identified administrative data in a secure environment: <https://adrn.ac.uk/>

¹⁷ <https://www.statisticsauthority.gov.uk/correspondence/nino-allocations-to-adult-overseas-nationals>

¹⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/502129/benefit-expenditure-eea-nationals-ad-hoc-stats.pdf

¹⁹ <https://www.gov.uk/government/statistics/uk-benefit-and-tax-credit-claims-by-recently-arrived-eea-migrants>

users welcomed the use of the NINOs data to add more value to the debate on migration, they found these releases to be lacking in the necessary detail about the data that are available, the methods and the assumptions used, the quality of the data, and the figures and background information required to fully interpret the analyses. This lack of information made it difficult for them to understand the issues involved in producing certain types of analysis, which made it difficult to make intelligent FOI requests, or to get intelligent responses. More transparency around what data are readily available, with details of their limitations, would add context to the NINOs statistics and facilitate the further development of methods for identifying active NINOs. A summary of what data are and are not available, and some explanation around why, would also aid users' understanding of what types of analysis can be carried out and would help to build trust in the statistics and the government departments who produce them.

- 1.18 *NINo Allocations* includes commentary on the NINOs registration statistics on a quarterly basis, with additional commentary provided on NINo benefit claimants on an annual basis every August. The data tables for *NINo Allocations* and *NINo Benefit Claimants* are published in separate webpages, and it is not clear from *NINo Benefit Claimants* that related commentary is available in the August publication of *NINo Allocations*. Some users told us that they did not realise that DWP published commentary on *NINo Benefit Claimants*. DWP should signpost this commentary more clearly or merge *NINo Allocations* and *NINo Benefit Claimants* into one publication to make it clearer to users what data and commentary are available.
- 1.19 It is also not clear how ad hoc releases based on NINOs data relate to the established National Statistics. We consider that greater public value could be added by DWP explaining more clearly the similarities and differences in the methods used in each and how they should be interpreted. The ad hoc releases are also published in a different section of the DWP website and there is no clear signposting to these data from the NINo webpages, meaning that users may not be aware of these additional analyses. DWP told us that ad hoc releases are pre-announced wherever possible. However, it would be helpful if these releases were also listed on the *NINo Allocations* release page, under a 'related ad hoc releases' section, so that the historical record of the available NINo data was complete. This would help users to find all relevant analysis of the data, maximising the value and potentially reducing the number of FOI requests. Some users told us that they thought that these analyses should be incorporated into the established statistics publications where relevant.

Table 1: Value Detailed Findings and Requirements

Finding	Examples	Requirement
The commentary in <i>NINo Allocations</i> does not set the statistics in a broader context.	<ul style="list-style-type: none"> <i>NINo Allocations</i> does not provide context on the large increase in overall NINo applications since 2014. 	<p>1 To maximise the public value of the statistics DWP should improve the commentary in the NINo statistical reports by:</p> <p>a) Adding more context, including explaining how they</p>

<p>In particular, it does not explain the role they play in informing the wider debate on immigration. Additionally, the commentary associated with <i>NINo Benefit Claimants</i> is not signposted.</p>	<ul style="list-style-type: none"> • <i>NINo Benefit Claimants</i> is on a separate webpage from <i>NINo Allocations</i>, which contains the associated commentary. 		<p>feed into wider analysis on immigration data</p> <ul style="list-style-type: none"> b) Providing more explanation of changes seen in the time series, in particular the reasons for the large increases in NINo registrations since 2014 c) Improving the signposting of the commentary for <i>NINo Benefit Claimants</i> or merging <i>NINo Allocations</i> and <i>NINo Benefit Claimants</i> into one publication
<p>The statistics team has good relationships with users within DWP and other central government departments, but it does not have sufficient engagement with users outside government.</p>	<ul style="list-style-type: none"> • DWP has not conducted an open user consultation to identify NINo statistics users' views since 2012²⁰. • DWP has not informed its users of the ONS-led consultation on sources of migration data, which includes NINo statistics via its website. • <i>NINo Allocations June 2016</i>, or any associated documentation for this report, do not contain any information about the users or uses of the NINo statistics. 	<p>2</p>	<p>To improve the value of NINo statistics DWP should establish a culture of wide, regular and informative engagement with a wide user community by:</p> <ul style="list-style-type: none"> a) Establishing effective engagement mechanisms to build open relationships with users outside government, as well as other relevant government departments, to allow direct consultation on their needs as users b) Producing and publishing clear, explicit documentation explaining how it is responding to what it has learned from its user engagement, including who uses the statistics and what decisions they inform, and how it takes account of these users' needs when planning publications
<p>It is unclear what NINo-related data sources are available, either from DWP, HMRC, HO or</p>	<ul style="list-style-type: none"> • Users told us that they find it difficult to make sensible FOI requests since they do not have sufficient understanding of the NINos data and what 	<p>3</p>	<p>To improve the accessibility of the range of data available DWP should:</p> <ul style="list-style-type: none"> a) Outline its vision for the development of the NINo statistics, including its

²⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/222806/user_views.pdf

<p>ONS, and how these data could be utilised by users. It is also difficult to find previously published NINOs analysis that has been produced as part of the ad hoc releases series.</p>	<p>analysis can be carried out on them.</p> <ul style="list-style-type: none"> • Ad hoc releases relating to NINo statistics are not signposted from the <i>NINo Allocations</i> webpage. 	<p>contribution to the cross-government analytical work using these data</p> <ul style="list-style-type: none"> b) Signpost the most recent and relevant ad hoc releases on the NINo data from the NINo webpages c) Clearly set out what data are and are not available, including explanations about why certain data are not available, for example due to lack of data availability or lack of resources, to aid users' understanding of what analyses can be carried out using NINos statistics
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Chapter 2: Quality

Context

- 2.1 Statistical quality is multi-faceted. The European Statistical System identifies five aspects of quality: relevance; 'accuracy and reliability', 'timeliness and punctuality', 'coherence and comparability' and 'accessibility and clarity'. The focus is often on 'accuracy and reliability'. The need for statistics to be relevant, accurate and reliable means, in essence, that we are confident that the patterns shown by the statistics reflect real-world phenomena, and are not artefacts of the way that the statistics have been assembled. But these factors also need to take into consideration that without being accessible or timely, statistics fail to add as much public value as they might otherwise.

Findings

- 2.2 *NINo Allocations* is based on an analysis of the Migrant Workers Scan (MWS) data extract: a selection of variables derived from a 100 per cent administrative count of NINo registrations recorded on HMRC's National Insurance Recording and Pay-as-you-Earn System (NPS). *NINo Allocations* includes a brief explanation about how the statistics are produced, and provides links to an overview of the NINo registration process²¹ and HMRC guidance for NINo applicants²² (see paragraphs A2.2-2.6). While the information provides an overview of the registration process, it would be helpful if DWP included additional information about the operational context, such as who is eligible for a NINo, and who is not, to aid users' interpretation of the statistics.
- 2.3 *NINo Benefit Claimants* is based on a combination of data obtained from the MWS and DWP benefits data, and is produced by matching the nationality record for non-UK nationals registering for a NINo to the records of DWP working age benefit claimants using their NINo. Claimants are allocated to a specific DWP benefit Client Group using a defined hierarchy (see paragraph A2.7). Claimants who fit into more than one Client Group category within the hierarchy are counted in the top group for which they are eligible. *NINo Benefit Claimants* includes a brief account of the methods and links to the original ad hoc statistical report: *Nationality at point of National Insurance number registration of DWP working age benefit recipients at February 2011*²³, published in 2012. The ad hoc statistical report and *NINo Benefit Claimants* both state that the statistics: 'provide an estimate of the number of people currently claiming benefit who, when they first registered for a NINo (that is, first entered the labour market)...'. However, this is potentially misleading, as NINo registration does not necessarily reflect labour market activity. The note does not provide any background or justification for the choice of benefit hierarchy used, and it is also not clear whether any alternative hierarchies were considered. DWP told us that the hierarchy used was consistent with an existing National Statistics client group benefit hierarchy, and that it considered therefore that an explanation of alternatives was not required.

²¹ <https://www.gov.uk/government/statistics/nino-allocations-to-adult-overseas-nationals-entering-the-uk-allocation-process-and-data-collection-methods>

²² <https://www.gov.uk/hmrc-internal-manuals/national-insurance-manual/nim39325>

²³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/196677/nat_nino_regs.pdf

- 2.4 DWP oversees the adult NINo application process, although NINo registrations are held on HMRC's NPS system (see paragraphs A2.2-2.6). Until mid-2014 HMRC was responsible for registering the NINo on to HMRC's NPS system from paper forms. Since then, DWP allocates the NINo on its Customer Information System and registers the NINo directly onto the NPS itself, rather than sending the forms by courier to HMRC for them to input onto NPS. This change has resulted in an improvement in the overall registration target time. The statistics team told us that most NINos are now registered on the same day as the decision to allocate is confirmed.
- 2.5 The transition of NINo registration across departments and IT systems caused the volume of NINo registrations recorded to be lower in the second quarter of 2014 and then higher in the third quarter of 2014 than would otherwise be the case. The impact on annual data was negligible. *NINo Allocations* states that the data for these quarters should be treated with caution, and recommends that users consider longer-term trends, or compare whole year-on-year estimates, rather than making comparisons from quarter to quarter. The statistics team told us that as well as these anomalies, there is also quarterly seasonality which needs to be accounted for when comparisons are made. One user commented that the explanation for the break in the time series that was due to a change in the registrations process was unhelpful because, while it explained that comparisons should be treated with caution, it did not set out what analysis could be done with the statistics over this period. There was also no detail provided to explain how this change may affect the data, such as improvements in processing times, or an indication of the magnitude of the change. As part of this assessment, the statistics team showed us information about the effects of the data processing issue that is more detailed than the account provided in *NINo Allocations*. We consider that greater public value could be added by DWP including this information in or alongside the statistical report, including guidance about how to account for seasonality when comparisons are made, to aid interpretation for users. This would also improve transparency and increase trust in these statistics.
- 2.6 Overall, *NINo Allocations* does not present information on the range of limitations of the data in a comprehensive, clear and coherent way. DWP could add value to the statistics by identifying the limitations more explicitly, either in *NINo Allocations* or in supplementary background documentation, to aid users' understanding of the statistics and their awareness of any limitations, including any about their use for migration analysis. Being clear on the limitations of the statistics may also be beneficial to DWP in managing user requests for analyses that it considers to be outside its remit.
- 2.7 Users who responded to the regulatory team's user consultation mentioned a number of limitations of the NINo statistics that they claimed meant that they could not be used to monitor work on migration in any depth. These included that:
- The figures only relate to first registrations, so they cannot be related to actual activity, and there is no way of telling whether they are registered to long- or short-term work migrants, or whether these migrants have worked in the UK at all

- The figures on individual nationalities are often quite erratic from one quarter to the next, even though rolling 12 month periods are used, and this limitation should be drawn out more clearly
- As there are often lags between people arriving in the UK and applying for NINOs, information on lags should be more prominently referred to, as users are likely to assume that headline figures represent recent arrivals
- Around half of non-EEA nationals originally born outside the UK have subsequently become UK nationals, which limits the usefulness of the annual data linking NINOs to benefits

2.8 While some users noted that some of *NINo Allocations* limitations were prominently covered in the statistical report, for example, that the statistics do not represent when people arrive in the country, others said that it would be desirable to have a dedicated section about the limitations of the statistics, which clearly explained to users what analyses could and could not be supported by them to avoid misinterpretation of the statistics. One user also requested that additional commentary be produced for analysts to help them provide guidance and interpretations to other less-expert users about the NINO application process and NINO eligibility, setting out the caveats and exclusions in plain English.

2.9 In light of the de-designation of police recorded crime statistics in January 2014 (in Assessment report 268), the Authority published²⁴ a regulatory standard that confirms the quality assurance arrangements that are required for statistics compiled using administrative data to comply with the *Code of Practice*. The *Administrative Data Quality Assurance Toolkit*²⁵ is the mechanism that the Authority is using to determine compliance in relation to four areas of practice:

- Operational context and administrative data collection
- Communication with data supply partners
- QA principles, standards and checks by data suppliers
- Producers' QA investigations & documentation

The judgment by statistical producers about the suitability of the administrative data for use in producing official statistics should be pragmatic and proportionate. It should be made in the light of an evaluation of the likelihood of quality issues arising in the data that may affect the quality of the statistics. It should also reflect the nature of the public interest served by the statistics. Statistical producers should determine the types of assurance and documentation required to inform users about the quality assurance arrangements for administrative data.

2.10 DWP's document *Quality guidelines for DWP statistics*²⁶ provides a high-level overview of DWP's overall quality ambitions against the European Statistical System (ESS) statistical output quality dimensions²⁷. The document was

²⁴ <http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/index.html>

²⁵ <http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/quality-assurance-toolkit.pdf>

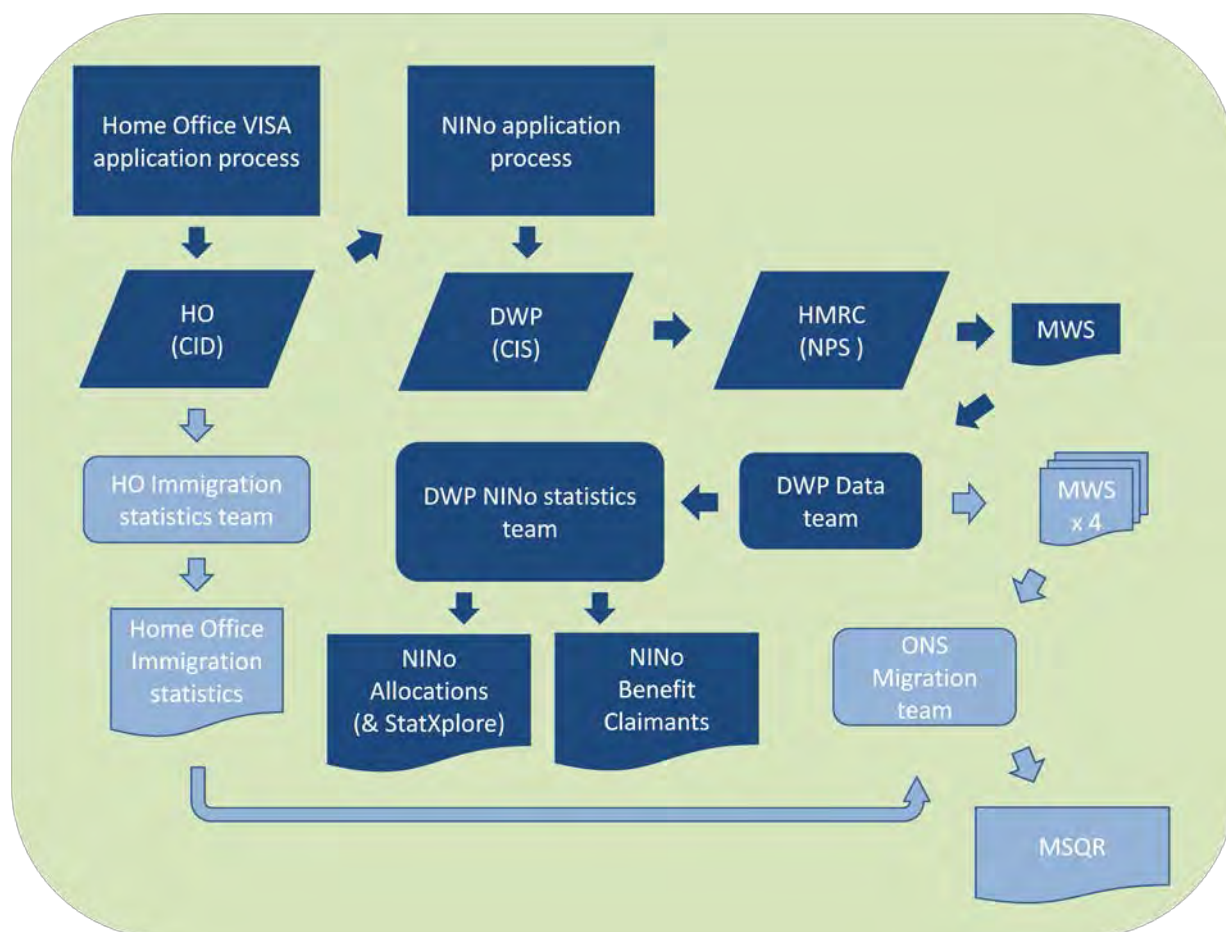
²⁶ <https://www.gov.uk/government/statistics/quality-guidelines-for-dwp-statistics>

²⁷ <http://ec.europa.eu/eurostat/documents/64157/4392716/ESS-QAF-V1-2final.pdf/bbf5970c-1adf-46c8-afc3-58ce177a0646>

published in 2010 and is in need of some updating as it still refers to the UK Statistics Authority publication hub and the DWP tabulation tool as primary channels for disseminating DWP statistics. DWP also publishes a *Statement of the administrative sources of DWP statistics*²⁸ and supporting list²⁹ which includes the NPS. However, the information about the administrative source is very limited and neither the statement nor the list specifies the data sources used to produce statistics on NINo benefit claimants. As part of its evidence for Assessment, the statistics team provided the results of an internal audit carried out in 2010. The audit resulted in a number of actions for the statistics team, such as looking into missing data from scans, and comparing NINo extracts with the WRS. However, the statistics team was unable to tell us what actions had been undertaken as a result of the audit report.

- 2.11 The NINo data pass through a number of different teams and processes before they are received by the statistics team (see figure 3, with further details in paragraphs A2.1-2.6), but DWP has published no information about the quality assurance processes undertaken at each stage

Figure 3: NINo statistical data flow overview



Source: Regulatory team

²⁸ <https://www.gov.uk/government/statistics/statement-of-the-administrative-sources-of-dwp-statistics>

²⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/416872/statement_of_admin_sources_updated_march_2015.xls

The statistics team told us about quality assurance processes that are undertaken at the application stage, for example, checks carried out at Jobcentre Plus interviews to verify nationality and identity, operational uses of NINo data to check eligibility for benefits alongside immigration stats held by the UK Border Agency, and checks made within DWP once the data are received from HMRC. The statistics team told us that additional quality assurance has also been possible as a result of the recent reconciliation analysis, which used DWP's L2 dataset to produce alternative NINo estimates that were roughly comparable with those published in *NINo Allocations*. However, DWP has not published any information about the QA procedures undertaken by the data suppliers along the supply chain, or by the statistics team on receipt of the data.

2.12 In 2010, the National Audit Office published *HMRC: The efficiency of National Insurance administration*³⁰, which identified a number of longstanding inaccuracies in HMRC's National Insurance database, and mismatches between HMRC and DWP records. To date, the statistics team has not demonstrated knowledge of how HMRC's NPS system works, other than to state that the system covers all NINos. DWP also publishes limited information for users about the policy and operational context, or the level of communication that the statistics team has with the different data suppliers throughout the process. In relation to *NINo Benefit Claimants*, DWP has not published any information about the extent of record match success between NINo registrations and DWP benefits information, or in light of record mismatching, an account of any possible bias present in the statistics.

Table 2: Quality Detailed Findings and Requirements

Finding	Examples	Requirement
DWP does not publish sufficient information about the arrangements for assuring the quality of the administrative data used to produce the NINos statistics.	<ul style="list-style-type: none"> • There is no published information about how the NINos data are quality assured, either by DWP or by HMRC, as part of the data journey. • The statistics team has not demonstrated knowledge of how HMRC's NPS system works, other than to state that the system covers all NINos. • DWPs published information on administrative sources used to produce its statistics does not include the sources used to produce statistics on NINo Benefit Claimants. 	<p>4 DWP should assure itself and its users about the quality of the NINo statistics by:</p> <ol style="list-style-type: none"> a) Ensuring that it has a full understanding of the data quality assurance processes used in the production of the statistics, including the checks that are carried out by the data suppliers and the statistics team, and about any audits or third party assurance of the source data b) Making improvements to its processes necessary to assure users of good

³⁰ <https://www.nao.org.uk/report/hmrc-the-efficiency-of-national-insurance-administration/>

		<p>quality NINo statistics</p> <p>c) Publishing a clear and comprehensive summary of its findings at an appropriate level of detail for its users</p> <p>d) Publishing a process map to aid users' understanding of the journey of the NINo data through the DWP and HMRC data systems and quality assurance processes undertaken at the various stages throughout the process</p> <p>e) Ensuring that the administrative data sources used in the production of the <i>NINo Benefit Claimants</i> are listed in its SoAS</p> <p>As part of meeting this Requirement, DWP should refer to the Authority's <i>Administrative Data Quality Assurance Toolkit</i>.</p>
<p><i>NINo Allocations</i> does not present information on the range of limitations of the data, the discontinuities in the time series, or the application process in a clear and coherent way.</p>	<ul style="list-style-type: none"> • The two documents published on background information of the NINos statistics contain limited detail, and each are less than a page long. • There is little published information explaining how to use the statistics appropriately in relation to common uses, such as measuring direct in-work migration, or over the period of the time series discontinuities occurring in 2014. • DWP has not published any account of any possible bias present in the statistics relating to record matching 	<p>5 To enhance the public's knowledge and understanding of the quality of NINo statistics and their appropriate use, DWP should publish a comprehensive and accessible set of quality and methods information that:</p> <p>a) Outlines all the known limitations of the statistics, and the implications for the quality of the statistics, in terms of their existing use for measuring migration and other potential uses, and in relation to the European Statistical System</p>

	<p>or systems change issues.</p> <ul style="list-style-type: none">• The NINo Benefit Claimants ad hoc methods paper does not provide any background or justification for the choice of benefit hierarchy methodology used.• There is little published information about NINo eligibility and the statistical reports and supporting methods paper incorrectly equate the allocation of a NINo to an individual entering the labour market.	<p>quality dimensions</p> <ul style="list-style-type: none">b) Clearly explains the reasons for the discontinuities in the historical series, and how to account for quarterly seasonality when comparisons are madec) Updates its published information to aid users' understanding about the NINo application process, NINo eligibility, and the statistical methods used to produce the statistics, including the justification for the benefit hierarchy used in <i>NINo Benefit Claimants</i>
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Chapter 3: Trustworthiness

Findings

- 3.1 DWP told us that processes are in place to protect statistical producers from any political pressure that might influence the production or presentation of statistics. For example, the Head of Profession (HoP) and his Deputy brief DWP Ministers, Special Advisors, Private Office and Press Office staff about the implications of the Code of Practice. There is a NINo Board, which is a cross-departmental governance body between DWP and HMRC (see paragraph A1.6). The statistics team told us it has limited engagement with the board, and that it had not felt any political pressures from the board or any other party, but that if it did this would be reported to the HoP, who would deal with the issue. Given the current high profile of NINo registration statistics as part of the migration debate, we consider that it may be helpful for DWP to document and publish how those who produce the statistics are protected from any pressures that might influence the methods, content or timing of the NINo statistics. This could include publishing the membership and Terms of Reference of the NINo board on its website to make it clear that the board does not have any impact or influence over the NINo statistics.
- 3.2 Since the previous assessment, the integrity and transparency of DWP has been called into question with regards to these statistics. On 10 November 2015, in response to a policy announcement made by the Prime Minister in a speech which was based on NINos data, DWP published ad hoc analysis on the extent to which recently arrived EEA nationals are in households receiving UK welfare support whilst either in work or out of work^{31,32}. We welcome the speed with which DWP was able to publish this analysis after the policy announcement.
- 3.3 However, the ad hoc analysis did not contain the necessary information on the underlying methodology and assumptions used in this analysis. A user told us that they had requested this information via FOI but it had been refused under policy development exemption terms. This decision was eventually overturned and the user received the information in March 2016. The Authority wrote to DWP³³ to express its concern that ‘a lengthy delay between the publication of statistics and an explanation of the underlying methodology and assumptions is not in keeping with the spirit of equality of access which the Code of Practice promotes’. While this concern relates to an ad hoc release of NINos data rather than the National Statistics, we consider that this distinction is one that would not always be made by users, and within the context of the family of outputs about NINo statistics the lack of transparency around these analyses has had a detrimental effect on the public perception of the trustworthiness of DWP’s statistics generally and the NINos statistics specifically.
- 3.4 DWP told us that it has since introduced more robust procedures around the publication of ad hoc statistics, including guidance which states ‘any decisions

³¹ <https://www.gov.uk/government/statistics/uk-benefit-and-tax-credit-claims-by-recently-arrived-eea-migrants>

³² <https://www.statisticsauthority.gov.uk/correspondence/eea-migrants-and-benefit-and-tax-credit-claims/>

³³ <https://www.statisticsauthority.gov.uk/correspondence/proportion-of-eea-migrants-claiming-in-work-benefits-and-tax-credits/>

behind the analysis, presentation, context, background and methodology should be transparent to anyone coming across the analysis for the first time, to enable any user to understand the analysis and context, and draw their own conclusions' and 'it should be equally accessible to all users, not just in terms of formats and visibility, but also by releasing it to all interested parties at the same time'. DWP also told us that it runs training sessions for officials in Press Office and Private Office to ensure they are aware of the need to present supporting statistics in a clear, transparent and impartial manner. We welcome these measures to demonstrate and enhance trustworthiness.

- 3.5 In the months leading up to the EU referendum on 23 June 2016, there was a high level of public interest in migration statistics. In particular, there was a demand from users for further explanation on the reasons for the difference between DWP's NINo registrations data and ONS' estimates of long-term international migration. A lack of a clear understanding and explanation of these differences led to speculation about the quality and trustworthiness of both of these sets of National Statistics. The Authority wrote to the National Statistician³⁴ in March 2016 to express concern that 'a lack of progress in reconciling and explaining the differences over the coming weeks could undermine public confidence in official migration estimates'. ONS, HMRC, HO and DWP then worked together to produce several reconciliation documents, explaining why figures based on the International Passenger Survey (IPS) and the LFS may differ from the number of NINo registrations^{35,36}, and to help explain why LTIM and NINo registrations data show different trends³⁷. We welcome the commitment made by the National Statistician and ONS to draw together data from different sources in this way. However, DWP does not currently make clear what NINos data are available and what analysis can be produced from these data. Some users told us that this lack of transparency was creating a sense of mistrust in the statistics, which they felt may be unfounded. In the context of wide public interest in these statistics, we consider that DWP could make its own position within the panoply of migration data clearer, and thereby reduce the perceptions of lack of trustworthiness, by publishing more information on what NINos data are available, and the associated complexities of carrying out some types of analysis on these data.
- 3.6 *NINo Allocations* does not contain any information about upcoming changes to methodology or classifications to give users advance notice of the potential impact on the statistics and their use of them. For example, in *NINo Allocations March 2015* the definition of world areas, which are used to define the geographic breakdown of where NINo registrations were from, was changed without being pre-announced. The change to the definition was as a result of a

³⁴ <https://www.statisticsauthority.gov.uk/correspondence/differences-between-dwp-statistics-on-national-insurance-numbers-allocated-to-adult-overseas-nationals-and-ons-migration-figures/>

³⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/methodologies/differencesbetweeninternationalpassengersurveyandnationalinsurancenumbersstatisticssashowninthemigrationstatisticsquarterlyreport>

³⁶ <http://www.ons.gov.uk/news/statementsandletters/statementonlabourforcesurveyonukworkersfigures>

³⁷ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/noteonthedifferencebetweennationalinsurancenumbersregistrationsandtheestimateoflongterminternationalmigration/2016>

user consultation carried out by ONS³⁸. *NINo Allocations March 2015* referred to the ONS consultation and produced a consistent time series back to 2012 based on the new definitions. However, it did not explain the impact of this change on the statistics, and it did not alert users to this change in advance.

- 3.7 The data journey of the NINos data is complex and the data are passed through a number of different teams within DWP and HMRC (see paragraphs A2.2-2.6). At different stages of the journey the data contain personal information which needs to be kept confidential. The data are also transferred to teams in other government departments, such as ONS, for use in the production and quality assurance of other statistical outputs. DWP has Memorandums of Understanding (MOU) that contain details of the arrangements that have been put in place to control the exchange of NINos data between DWP, ONS and HMRC. Each MOU describes detailed guidelines on data transfer – which includes encryption of data and hand-delivered data files – along with information on the purpose of the data transfer and the permissible uses that can be made of the data. However, DWP has published no information that would assure users that appropriate confidentiality arrangements are in place, and we consider that public confidence in the NINos data could be enhanced by DWP publishing details that assure users of the arrangements that are in place to protect confidentiality.
- 3.8 The published pre-release access list for *NINo Allocations* contains 73 officials, including 24 from DWP, and 23 from HO, along with a number of officials from ONS, Department for Business, Energy and Industrial Strategy (DBEIS), Department for Communities and Local Government (DCLG), Cabinet Office, 10 Downing Street, and the now-defunct Deputy Prime Minister’s Office (DPMO). DWP told us that many of the officials on the list do not get access every quarter, but have been given access in the past and that the list was the same for all National Statistics released as part of the MSQR. The published pre-release access list should only contain details of those who were given access to the most recent report. The pre-release access list for these statistics contains both discrete individual job titles as well as job titles for which there are multiple job holders such as ‘special advisors’.

Table 3: Trustworthiness Detailed Findings and Requirements

Finding	Examples	Requirement	
<p><i>NINo Allocations</i> does not contain any information about upcoming changes to methods or classifications to give users advance notice of the potential impact on</p>	<ul style="list-style-type: none"> • In <i>NINo Allocations March 2015</i> the definition of world areas was changed without being pre-announced. • No information has been provided on the impact and magnitude 	6	<p>To enhance transparency in these statistics DWP should:</p> <p>a) Publicly commit to announcing future changes to methods or classifications in advance of the publication of <i>NINo</i></p>

³⁸ <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/consultations/country-groupings-in-international-migration-statistics/index.html>

<p>the statistics and their use of it.</p>	<p>of the break in the time series due to the processing change in quarter April-June 2014.</p>		<p><i>Allocations</i></p> <p>b) Provide sufficient explanation on the impact and magnitude of these changes on the use of the statistics</p>
<p>There are a range of processes in place to protect the confidentiality of the NINOs data. However, details of these arrangements are not published.</p>	<ul style="list-style-type: none"> The NINOs data are encrypted and all outputs are subject to rigorous statistical disclosure control methods. 	<p>7</p>	<p>To increase the trustworthiness and to reassure users of the confidentiality of the NINOs data DWP should publish documentation on the confidentiality arrangements that are in place. This might include information on encryption of data, memoranda of understanding with other government departments, and statistical disclosure control methods.</p>
<p>The published pre-release access list is not updated on a regular basis, and contains details of all officials who have been given access in the past, including those who are no longer given access.</p>	<ul style="list-style-type: none"> The published pre-release access list for <i>NINo Allocations</i> contains the names of 73 officials. 	<p>8</p>	<p>To promote public confidence in the NINo statistics DWP should:</p> <ol style="list-style-type: none"> Reduce the number of people included on the <i>NINo Allocations</i> pre-release access list and provide a justification for each individual listed Ensure that the pre-release access list is reviewed prior to each publication and updated accordingly, and includes the number of post holders where there is more than one Include a link to the pre-release access list directly from its NINOs webpage

Annex 1: About the statistics

- A1.1 A NINo is a unique personal reference number used in the administration of the UK National Insurance system. The number links individuals with their national insurance contributions, State Pension, Tax Credits and Student Loan accounts, and is required in order to make a claim for social security benefits. The majority of UK nationals receive a NINo automatically shortly before their 16th birthday as a consequence of a previously successful Child Benefit claim.
- A1.2 A NINo is also generally required by any overseas national looking to work or claim benefits or tax credits in the UK, including self-employed migrants and international students who wish to work part-time or qualify for a student loan.
- A1.3 DWP produces two sets of regular statistics on the NINOs allocated to adult overseas nationals entering the UK based on the date of NINo registration:
- *NINo Allocations* is a quarterly National Statistics series, available back to 2002, of NINo registrations. The series provide an indication of the inflow of short-term and long-term migrants to the UK
 - *NINo Benefit Claimants* is an annual official statistics series available back to 2009, with commentary available in the August *NINo Allocations* statistical report. These statistics combine NINo registrations with DWP working age benefits data to produce estimates of the benefit caseload of adult overseas nationals, according to their nationality as recorded at date of NINo registration
- A1.4 *NINo Allocations* and *NINo Benefit Claimants* are published as part of a scheduled quarterly release of cross-government migration statistics, which includes the ONS Migration Statistics Quarterly Report (MSQR)³⁹ and the HO Immigration statistics quarterly release⁴⁰. A Migration Statistics Working Group, chaired by ONS and with representatives from DWP, HO, and devolved administrations, manages the publication cycle for the MSQR and provides strategic direction. ONS also separately publishes employment estimates by nationality and country of birth⁴¹ based on the LFS, which are sometimes used as a proxy for migration. However, NINo registrations are not a direct measure of migration and are not directly comparable with either the ONS long-term international migration (LTIM) estimate or the LFS employment estimates by nationality and country of birth. ONS has published information notes^{42,43} explaining why figures based on the International Passenger Survey (IPS) and

³⁹<http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/publications>

⁴⁰<https://www.gov.uk/government/collections/immigration-statistics-quarterly-release>

⁴¹<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2016#employment-by-nationality-and-country-of-birth-not-seasonally-adjusted-first-published-on-17-february-2016>

⁴²<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/methodologies/differencesbetweeninternationalpassengersurveyandnationalinsurancenumbersstatisticsasshowninthemigrationstatisticsquarterlyreport>

⁴³<http://www.ons.gov.uk/news/statementsandletters/statementonlabourforcesurveyonukworkersfigures>

the LFS may differ from the number of NINo registrations, and an analytical paper⁴⁴ to help explain why LTIM and NINo registrations show different trends.

- A1.5 This analytical paper analysed overseas adults receiving a NINo registration to estimate their length of stay after first arrival and registration. The results showed that for registrations between 2010/11 and 2013/14:
- 27-35 per cent stayed for a short duration (less than 52 weeks)
 - 22-31 per cent stayed for an indeterminate duration (where there are interactions with the tax and benefit system in the UK covering more than 52 weeks but it is unclear if the stay was continuous)
 - 41-48 per cent stayed for a long duration (52 weeks or more)

User engagement fora

- A1.6 The statistics team is part of the quarterly cross-government Migration Statistics Working Group. The group is chaired by ONS and has been set up to provide strategic direction to the reconciliation work which is being carried out to explain, and help to quantify, the differences between the various data sources used to measure migration. The group comprises senior analysts from DWP, HMRC, ONS, HO and Cabinet Office. As a result of the recent increased interest in migration data due to the EU referendum, this group met weekly from early March 2016 to 12 May 2016, when the reconciliation paper was published⁴⁵. There were also weekly workshops to share knowledge about the results of the analysis to date. ONS is leading the project, with HMRC carrying out analysis using Tax Credit and Child Benefit data, while DWP is contributing analysis of the NINos data.
- A1.7 There is also a NINo Board, which is a cross-departmental governance body between DWP and HMRC, responsible for ensuring joint accountability for the allocation, management and control of NINos; in both current business processes and developing digital processes. The statistics team presents papers to this board when required, for example in May 2016 it presented a paper on the reconciliation work that was being carried out as a result of the considerable press coverage on the difference between the NINos and the ONS immigration estimates.
- A1.8 The statistics team attends and presents at the RSS Migration Statistics User Forum conference, which is part of StatsUserNet. The forum is an annual event held to provide an opportunity for discussion on migration statistics, to enable users to discuss their needs and use of data and for producers to consult on presentation and changes.
- A1.9 DWP's online tool StatXplore, which lets you create and download customised statistical tables, is used to collate information about users of DWP statistics. The StatXplore mailing list contains around 4,000 users and a daily log file is produced of who is using which data, including the organisations that they come from, and what queries they are running. The log file shows that there are

⁴⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/noteonthedifferencebetweennationalinsuranceregistrationsandtheestimateoflongterminternationalmigration/2016>

⁴⁵<https://www.ons.gov.uk/releases/noteonthedifferencebetweennationalinsuranceregistrationsandtheestimateoflongterminternationalmigration>

on average 39 queries on NINo data per day, and around two-thirds of the queries are from registered users of StatXplore.

Accessibility and costs

A1.10 DWP publishes *NINo Allocations* and *NINo Benefit Claimants* in PDF format with supplementary tables published in Excel format. NINo registrations data are also published through StatXplore, which provides downloads of data in Excel, Comma Separated Values (CSV), and Statistical Data and Metadata eXchange (SDMX) formats. An interactive map of NINo registrations by world area is also available from DWP's website. This equates to a level of four stars for *NINo Allocations* and three stars for *NINo Benefit Claimants* under the Five Star Scheme that forms part of the Open Standards Principles proposed in the *Open Data White Paper: Unleashing the Potential*⁴⁶ and adopted as UK government policy in November 2012⁴⁷. Five stars represents the highest star rating within the Scheme.

A1.11 DWP estimates the annual cost of producing *NINo Allocations* and *NINo Benefit Claimants* as approximately £87,000.

⁴⁶ http://data.gov.uk/sites/default/files/Open_data_White_Paper.pdf

⁴⁷ <https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles>

Annex 2: The source data

- A2.1 *NINo Allocations* is based on an analysis of the Migrant Workers Scan (MWS) data extract: a selection of variables derived from a 100 per cent administrative count of NINo registrations recorded on HMRC's National Insurance Recording and Pay-as-you-Earn System (NPS). Although NINo registrations are held on a HMRC system, DWP is responsible for the adult NINo application process. Figure 3 presents an overview of the flow of NINo data from the adult application process to the publication of DWP's NINo statistics.
- A2.2 In order to apply for a NINo, people must first make an enquiry to DWP's NINo application telephone line. For a NINo to be issued under the adult allocation process, an individual must be able to prove their identity and fulfill one of the following criteria:
- Prove their right to work in the UK where the application relates to employment
 - Have claimed, or be the partner in a claim to, a Social Security benefit or Tax Credit where the application relates to a Benefit or Tax Credit claim, or
 - Be required to possess a National Insurance number in order for a Student Loan to be awarded.
- A2.3 Where the applicant is unable to establish any of the above, or the supporting evidence they provide gives rise to doubt about the basis of the application, then a NINo will be refused. DWP staff then decide whether eligible applications should proceed via either a face-to-face or postal application route. Applications through either route are subjected to a rigorous identity checking process, including the use of document examination tools to ensure the authenticity of any documentary evidence provided in support of the application; and corroborative checks with third parties (including other Government Departments) to verify the information supplied.
- A2.4 Around 75 per cent of applications are made by EEA nationals who are required to attend a face-to-face Evidence of Identity (EOI) interview. The EOI takes place at a Jobcentre Plus office and is used to prove an individual's identity, and for employment related applications their legal right to work in the UK. Non-EEA nationals, including those with time-limited visas, must be able to prove their identity, have a lawful immigration status and permission to work in the UK before they are entitled to a NINo, and are required to return a completed postal application to DWP with a copy of their passport and visa. DWP operational staff have direct access to the Home Office Case Information Database (CID) in order to verify the applicant's details. For either route, if a decision is made to allocate a NINo, it is allocated on the DWP's departmental Central Index System (CIS), and the NINo is registered on HMRC's NPS system.
- A2.5 HMRC provides DWP with a cumulative MWS extract from the NPS each quarter. The quarterly extract is quality assured by HMRC before transfer to DWP live running teams who load and quality assure the extract before it is loaded onto DWP servers. This extract contains details of all adult overseas nationals allocated a NINo up to the date that the extract was taken. A small number of overseas nationals (aged 16-19 yrs) are allocated a NINo through the Juvenile Registration scheme and are therefore not included in the MWS

extract. The extract is provided via a commercial agreement between DWP and HMRC's IT providers, and a Memorandum of Understanding (MOU) which states that on the exchange of data DWP becomes the owner of the MWS.

A2.6 Once received, DWP loads the data and runs checks on file size. The extract is then encrypted before release under Business Case approval to DWP analysts. DWP also provides an encrypted version of the anonymised MWS dataset to the Office for National Statistics (ONS) under a separate MOU. The dataset is provided annually based on a concatenation of the latest four quarters of MWS data.

A2.7 *NINo Benefit Claimants* is based on a combination of data obtained from the MWS and DWP benefits data, and is produced by matching the nationality record for non-UK nationals registering for a NINo to the records of DWP working age benefit claimants using their NINo. Claimants are allocated to a specific DWP benefit Client Group using the hierarchy below:

- Jobseeker (Jobseeker's Allowance).
- ESA and incapacity benefits (Employment and Support Allowance, Incapacity Benefit and Severe Disablement Allowance)
- Lone Parent (Income Support)
- Carer (Carer's Allowance)
- Others on Income Related benefit (Income Support and Pension Credit)
- Disabled (Disability Living Allowance and Personal Independence Payments)
- Bereaved (Widow's Benefit)

A2.8 The method used in *NINo Benefit Claimants* specifies that claimants who fit into more than one Client Group should only be counted in the top group for which they are eligible. For example a claimant of Disability Living Allowance and Jobseekers Allowance would only appear in the *Jobseeker* category and not the *Disabled* category.

Annex 3: The Assessment process

A3.1 This is one of a series of reports⁴⁸ prepared under the provisions of the *Statistics and Registration Service Act 2007*⁴⁹. The Act gives the UK Statistics Authority (the Authority) power to re-assess whether the *Code of Practice for Official Statistics*⁵⁰ continues to be complied with in relation to official statistics already designated as National Statistics. The Act also allows an appropriate authority⁵¹ to request an assessment of other official statistics in order for them to gain National Statistics status.

A3.2 *NINo Allocations* has been re-assessed as part of our ongoing programme of National Statistics re-assessments and following agreement with DWP in summer 2015. *NINo Benefit Claimants* has also been assessed at the request of DWP, in order for them to gain National Statistics status.

A3.3 *NINo Allocations* was previously assessed by the Authority as part of *Assessment Report 85: Statistics on National Insurance Number Allocations to Adult Overseas Nationals Entering the UK*⁵² in February 2011 and designation as National Statistics was confirmed in February 2012⁵³. The Assessment report made eight Requirements, which were all addressed by DWP before designation was confirmed:

- Take steps to develop a greater understanding of the use made of the statistics, publish relevant information and assumptions and use them to better support the use of the statistics
- Publish information about the data collection methods including an explanation of why these methods are used
- Publish an action plan to improve the quality assurance of these statistics and report progress against the plan
- Provide a clear link to the Migrations Statistics Quarterly Report on the DWP website with a brief overview of its contents
- Review and improve the presentation of the National Insurance Number allocations data and associated commentary in the annual analytical report
- Report on options for condensing the production of the statistics, including liaising with data providers for more timely and efficient data provision
- Include the publication date of the annual analytical report on the forward timetable
- Provide name and contact details of the responsible statistician in the analytical report

A3.4 This current assessment was conducted from December 2015 to January 2017.

⁴⁸ <https://www.statisticsauthority.gov.uk/publications-list/?keyword=&type=assessment-report>

⁴⁹ http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

⁵⁰ https://www.statisticsauthority.gov.uk/wp-content/uploads/2015/12/images-codeofpracticeforofficialstatisticsjanuary2009_tcm97-25306.pdf

⁵¹ Subsection 12(7) of the Act defines 'appropriate authority' as Ministers of the Crown, Scottish Ministers, Welsh Ministers, Northern Ireland departments or the National Statistician

⁵² <https://www.statisticsauthority.gov.uk/publication/national-insurance-numbers-allocated-to-adult-overseas-nationals-department-for-work-and-pensions/>

⁵³ <https://www.statisticsauthority.gov.uk/publication/national-insurance-numbers-allocated-to-adult-overseas-nationals-department-for-work-and-pensions-letter-of-confirmation-as-national-statistics/>

- A3.5 This report was prepared by the Authority’s Assessment team, and approved by the Regulation Committee on behalf of the Board of the Statistics Authority, based on the advice of the Director General for Regulation.
- A3.6 The Assessment team – Donna Hosie and Oliver Fox-Tatum – agreed the scope of and timetable for this assessment with representatives of DWP in December 2015. The documentary evidence was provided in January 2016. The Assessment team subsequently met the statistics team at DWP during April 2016 to review compliance with the *Code of Practice*, taking account of all the evidence provided and researched.
- A3.7 Part of the Assessment process involves our consideration of the views of users. We approach some known and potential users of the set of statistics, and we invite comments via an open note on the Authority’s website. This process is not a statistical survey, but it enables us to gain some insights about the extent to which the statistics meet users’ needs and the extent to which users feel that the producers of those statistics engage with them. We are aware that responses from users may not be representative of wider views, and we take account of this in the way that we prepare Assessment reports.
- A3.8 The Assessment team spoke directly with 16 users. In addition, the Assessment team received email responses from the user engagement. The respondents were grouped as follows:
- | | |
|--------------------------|---|
| Central Government | 8 |
| Researchers | 4 |
| Devolved administrations | 2 |
| Local Government | 1 |
| Voluntary sector | 1 |

Key documents

Written Evidence for Assessment document

Other documents provided by DWP included the following: Internal Audit Review of Statistical Production Processes

Contact us

For any queries about this assessment, or the work of the Office for Statistics Regulation in general, please email assessment@statistics.gov.uk.

Annex 4: Responding to the Assessment report: What the Authority and the producer body should expect from each other

A4.1 The publication of the Assessment report represents a key milestone in the Assessment process, but should not be viewed as the end point. The next phase, to meet the Requirements set out in this report, is critical to delivering the value, quality and trustworthiness to achieve and maintain National Statistics status. The next steps are as follows:

- immediately following the publication of the report, the Authority's Assessment team will arrange a meeting with the statistics team to talk through the detail of the Requirements and to ensure a common understanding
- the HoP can follow up with the Assessment Programme Manager about the Director General for Regulation's letter that accompanies this Assessment report. The letter: draws out the key findings; provides advice about where the statistics team is likely to need senior management support and direction; and conveys any findings that have wider implications for the producer body and statistical system
- the HoP is encouraged to:
 - i) develop an action plan to meet the Requirements to the timetable set out in paragraph ES.8 of this report
 - ii) agree the action plan with its senior management, including the HoP, and confirm that it is appropriately resourced
 - iii) share the action plan with the Assessment Team, publish it alongside the statistics, and explain to users and suppliers how it will engage with them in delivering the plan
 - iv) seek out peers and support services that can help in delivering the plan – for example, [the National Statistician's Good Practice Team](#)
 - v) agree with the Assessment Team, how often, and in what form, the statistics team would like to engage about progress against the action plan – for example, some teams choose to meet with the Assessment Team once a month
- the statistics team should provide full formal written evidence to the Assessment Team by the deadline of 30 April 2017 as set out in paragraph ES.8 of this report. There is no set format for reporting, except that the statistics team should report against each Requirement given in Tables 1 to 3 and provide links to any published or internal documents as support
- the Assessment Team will review the evidence within 10 working days and arrange to provide feedback to the statistics team. As part of this process, the Assessment Team will talk again to users to establish how their experience of the statistics has changed. When the Assessment Team is satisfied that the Requirements have been fully met, their conclusions will be quality assured by regulatory team's senior management and then presented to the Authority's Regulation Committee

to confirm designation. The Director General will then write publicly to the HoP to confirm the decision

- in the event that Requirements are not fully met within the agreed timetable, the Authority will implement [escalation procedures](#)

A4.2 Based on experience, the Authority strongly encourages statistics teams to:

- engage with the detailed thinking of the Assessment report, and revisit it regularly. The Authority will be seeking evidence that the statisticians are demonstrating curiosity and are challenging their own thinking around delivering value, quality and trustworthiness. The Requirements in this report should not be viewed as a simple checklist
- view the responsibility for meeting the Requirements as falling to the organisation as a whole, not just the team that produces the statistics
- engage users early, not just to keep them updated, users can often offer valuable insight and expertise
- if you have any questions or concerns at all, please contact the Assessment Team at any time

A4.3 Responsibility for complying with the *Code of Practice* does not end with the award of the National Statistics designation. It is the statistics producers' responsibility to maintain compliance and also to improve the statistics on a continuous basis. The Authority encourages statistics producers to discuss promptly with the Assessment Team any concerns about whether its statistics are meeting the appropriate standards. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated only when standards are restored.