

Public Audit Committee

31st Meeting, 2022 (Session 6), Thursday, 15 December 2022

The 2021/22 audit of National Records of Scotland

Introduction

1. At its meeting today, the Committee will take evidence from the Auditor General for Scotland (AGS) on his section 22 report, [The 2021/22 audit of National Records of Scotland](#), which was published on 29 November 2022.
2. The AGS has prepared a note on the key messages from the report which, along with a copy of the report, can be found in the **Annexe**.

Scrutiny of the 2020/12 audit of National Records of Scotland

3. The Committee is still to conclude its scrutiny of the [2020/21 audit of National Records of Scotland](#) section 22 report, which was published on 30 November 2021. Details of the Committee's scrutiny of this report can be [found on its webpage](#).

Other relevant parliamentary scrutiny

4. The Constitution, Europe, External Affairs and Culture (CEEAC) Committee recently held an [inquiry into Scotland's census](#). On the 17 November 2022, the CEEAC Committee wrote to the Cabinet Secretary for Constitution, External Affairs and Culture setting out a summary of the evidence it had heard during its inquiry. A [copy of this letter](#) was sent to the Public Audit Committee and the Auditor General for Scotland for information.

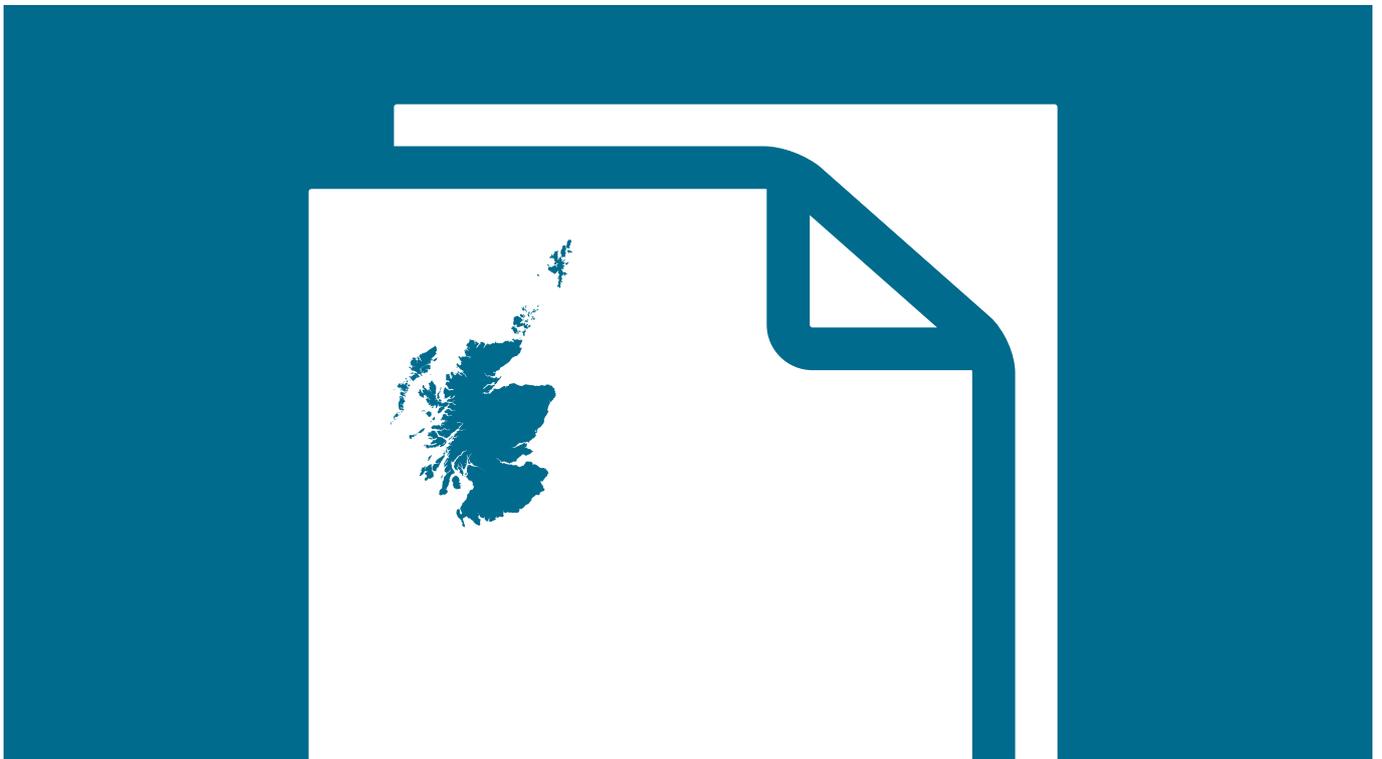
Clerks to the Committee
12 December 2022

BRIEFING PAPER BY THE AUDITOR GENERAL FOR SCOTLAND

1. The Auditor General's report on the 2021/22 audit of National Records of Scotland was published on 29 November 2022.
2. Key messages from the report are:
 - The auditor issued an unqualified opinion on NRS' financial statements for 2021/22. The Auditor General prepared this report to update the Scottish Parliament on NRS' progress with delivery of the census programme since his previous section 22 report on the 2020/21 audit.
 - The census collect phase went live as planned at the end of February 2022, but the collection period was extended due to lower-than-anticipated return rates. This helped increase the overall return rate from 79 per cent to 89 per cent, with the local authority target rate of 85 per cent exceeded in 30 of 32 council areas. Before going live, NRS had aimed to achieve an overall return rate of at least 90 per cent.
 - In May 2022, in response to concerns about the census return rate, the Registrar General for Scotland established an international steering group of independent census and administrative data experts to provide assurance and support to the census programme as it moved out of the collection phase and into the coverage and processing phase. In June 2022, as a result of the improved return rate through the extension, the group recommended that NRS conclude the collection phase and that it had a "solid foundation" to move to the Census Coverage Survey phase.
 - The quality of census population estimates are not based solely on the response rate achieved during the census collection period. The Census Coverage Survey (CCS) and use of administrative data are a key part of the quality assurance process. This helps ensure that the census outputs are representative of Scotland's population as a whole. However, as the response rates to both the census and the CCS were lower than expected, NRS will need to make greater use of administrative data than originally planned, as part of the methodology for producing census population estimates, not just as part of the quality assurance process.
 - In May 2022, the Cabinet Secretary announced that additional funding of up to seven per cent of the programme costs, which amounts to £9.8 million, would be made available to NRS in 2022/23. At the start of June 2022, NRS forecast that the actual additional costs would be around £6 million, increasing the projected lifetime costs of the census programme by four percent from £138.6 million to £144.6 million. However, the actual figure will not be known until the end of 2022/23 and will need to be carefully managed.

Annexe

The 2021/22 audit of National Records of Scotland



AUDITOR GENERAL 

Prepared for the Public Audit Committee by the Auditor General for Scotland
Made under section 22 of the Public Finance and Accountability (Scotland) Act 2000
November 2022

The 2021/22 audit of National Records of Scotland

Introduction

1. I have received the audited annual report and accounts and the independent auditor's report for National Records of Scotland (NRS) for 2021/22. I am submitting these financial statements and the auditor's report under section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report that I have prepared under section 22(3) of the Act.
2. The auditor issued an unqualified opinion on NRS' financial statements for 2021/22. I have prepared this report to update the Scottish Parliament on NRS' progress with delivery of the census programme since my [previous report on the 2020/21 audit](#).

Key messages

- 1 The census collect phase went live as planned at the end of February 2022, but the collection period was extended due to lower-than-anticipated return rates. This helped increase the overall return rate from 79 per cent to 89 per cent, with the local authority target rate of 85 per cent exceeded in 30 of 32 council areas. Before going live, NRS had aimed to achieve an overall return rate of at least 90 per cent. There is no single reason why the return rate was lower than planned but it is important that NRS learn lessons from the collection phase to inform planning for future censuses.
- 2 The quality of census population estimates and other outputs are not based solely on the response rate achieved during the census collection period. The Census Coverage Survey and use of administrative data are key parts of both the statistical methodology for producing national population estimates and the quality assurance process. This helps ensure that the census outputs are representative of Scotland's population as a whole.

- 3** In May 2022, in response to concerns about the census return rate, the Registrar General for Scotland established an international steering group of independent census and administrative data experts to provide assurance and support to the census programme as it moved out of the collection phase and into the coverage and processing phase. In June 2022, as a result of the improved return rate through the extension, the group recommended that NRS conclude the collection phase and that it had a 'solid foundation' to move to the Census Coverage Survey phase. However, as the overall Census Coverage Survey return rate was also lower than anticipated, NRS will be more reliant on the use of administrative data than originally planned if it is to produce high-quality census outputs.
- 4** In May 2022, the Cabinet Secretary announced additional funding of up to £9.8 million to cover any additional costs. NRS is managing these costs and now estimates that the extension will increase programme costs by around £6 million in 2022/23 to a total of £144.6 million. This equates to approximately four per cent of the revised estimated lifetime costs of the census programme.
- 5** The census is an extensive and complex programme of work which extends beyond the collection period. NRS reports that it is on track to publish initial outputs a year after the end of the collection phase, in summer 2023. Significant work remains to be done during 2022/23 to ensure that the census delivers robust population estimates and other outputs. There is considerable public interest in the census and it is important that NRS is as transparent as possible to maintain public trust in census data.

Background

3. NRS is a Non-Ministerial Department of the Scottish Government, established in 2011 following the merger of the General Register Office for Scotland and the National Archives of Scotland. The chief executive fulfils the role of two non-ministerial office holders: Registrar General for Scotland and Keeper of the Records of Scotland. Unlike in most other public bodies, the director of corporate services is NRS's accountable officer, rather than the chief executive. This is because, in carrying out the statutory functions of Registrar General and Keeper of the Records, the chief executive is a member of the Scottish Administration. Scottish Government funding typically accounts for approximately 80 to 90 per cent of NRS's income.

4. The census is a national survey of the entire population which takes place every ten years. It is the most reliable source of information that the country has about people and households in Scotland. The Scottish Government, councils and other organisations use census data to help plan services and allocate funding. The Registrar General is responsible for planning and running the census in Scotland.

5. On 17 July 2020, Scottish ministers, in consultation with NRS, announced that the census would be delayed from March 2021 to March 2022, due to the impact of the Covid-19 pandemic. In [my previous report on the 2020/21 audit](#), I highlighted the financial impact of the decision to delay on NRS' costs, as well as ongoing risks to the delivery of the census programme.

The census went ahead as planned in February 2022, but the collection period was extended due to lower-than-anticipated return rates

6. In my previous report, I highlighted the results from a number of assurance reviews carried out on the census programme, including those carried out under the Scottish Government's Technology Assurance Framework (TAF). TAF reviews in December 2021 and February 2022 confirmed that the census was able to proceed as planned. The census went live on 28 February and census day was on 20 March 2022.

7. Prior to the census going live, NRS aimed to achieve a high response rate of at least 90 per cent. The census collection period was scheduled to be open for online returns until 1 May 2022. However, as the return rate was lower than expected, at 79 per cent, NRS decided to extend the deadline for submission of returns until the end of May 2022. The extension was approved and announced to the Scottish Parliament by the Cabinet Secretary for the Constitution, External Affairs and Culture on 28 April 2022. To try and improve the response rate, NRS field force staff offered support and assistance across Scotland, with further focused support in areas with lower response rates. NRS also issued up to five further reminder letters and post cards, along with increased media and marketing activity. Other countries have also extended their deadlines in recent years for reasons such as low response rate and due to Covid restrictions limiting door to door activity, including the USA.

8. At the end of May, as part of the work of the field force, households that had not completed the census at that point were invited to comment on the reasons for not completing it. Of the 1,231 responses, the most common reason given for not completing the census was that people 'were too busy' (35 per cent of responses), followed by 'not aware of the census' (16 per cent) and 'didn't realise they had to complete it' (14 per cent).¹

9. Following the extension to the deadline for submissions, the return rate increased to just over 89 per cent by the start of June, with return rates of over

¹ [Summary of doorstep collection exercise: Reasons for not yet completing the census | Scotland's Census \(scotlandscensus.gov.uk\)](#)

85 per cent in 30 out of the 32 council areas and greater than 90 per cent in 19 of these areas. The target response rate for local authority areas was 85 per cent. The most notable difference was in Glasgow City Council, where the return rate increased by just over 12 percentage points to 83 per cent.

10. NRS was successful in delivering a primarily digital census, with 89 per cent of responses completed online, exceeding its target of 80 per cent. NRS also issued over 600,000 paper forms, although less than half of these were returned. It is not clear why some households requested paper forms but did not complete them. NRS intends to do further analysis on this.

11. The census in England and Wales was carried out in March 2021 and reported an overall return rate of 97 per cent, with at least 88 per cent in all local authorities. The census in Northern Ireland was also carried out in March 2021 and similarly reported an overall return rate of 97 per cent. The previous census in Scotland in 2011 achieved a return rate of 94 per cent, with over 90 per cent in all council areas. NRS continues to investigate the reasons for the lower-than-expected return rate and lower rate than achieved in other countries. This will be important in order to inform work on planning future censuses. This information will also be helpful for the Scottish Government and other public sector bodies to understand when designing future online surveys and services.

Programme costs are estimated to increase by £6 million in 2022/23

12. In May 2022, the Cabinet Secretary announced that additional funding of up to seven per cent of the programme costs, which amounts to £9.8 million, would be made available to NRS in 2022/23. At the start of June 2022, NRS forecast that the actual additional costs would be around £6 million, increasing the projected lifetime costs of the census programme by four per cent from £138.6 million to £144.6 million. However, the actual figure will not be known until the end of 2022/23 and will need to be carefully managed. This mainly relates to additional supplier costs of £3 million, along with £1.7 million for field workforce and £1.1 million additional funding for the Census Coverage Survey. NRS reports that the additional supplier costs include the cost of extending support for processing digital and paper responses, public assistance channels such as the free helpline and additional interventions to encourage people to respond, such as reminder letters.

13. In my 2020/21 report, I noted that the Scottish Government had agreed to provide additional Grant in Aid to cover the £21.6 million in increased costs associated with the census moving from March 2021 to March 2022. I also highlighted that further action was required to address additional financial pressures of £0.5 million in order to achieve financial balance in 2021/22.

14. In 2021/22, NRS underspent against its overall resource budget of £59.1 million by £0.2 million. This underspend related to non-cash elements of the budget, such as depreciation, with NRS achieving a balanced budget position.

15. In previous years the auditor has reported increasing temporary staff costs. Temporary staff costs have increased significantly again in 2021/22 to £14.62 million (£12.05 million in 2020/21), making up 42 per cent of overall staff costs. These costs are mainly attributable to high-cost contractors working on the census and specialist IT projects, which is to be expected due to the short-term nature of census work. As the census programme progresses through its later stages it is important that NRS has knowledge transfer plans in place to build on the skills it has in-house.

16. In my 2020/21 report, I highlighted difficulties NRS had experienced recruiting to leadership roles in the organisation, as well as issues filling vacancies for roles across the census programme. There has been greater stability in NRS leadership on 2021/22 and recruitment is no longer highlighted as a significant risk to the delivery of the census programme.

The Registrar General for Scotland has established an international steering group to support the next stage of the census during 2022/23

17. The quality of census population estimates and other outputs are not based solely on the response rate achieved during the census collection period. The Census Coverage Survey (CCS) and use of administrative data are a key part of the quality assurance process.² This helps ensure that the census outputs are representative of Scotland's population as a whole.

18. The Registrar General for Scotland set up the International Steering Group (ISG) in May 2022, with the agreement of Scottish ministers, to help advise on the remaining stages of the process. The group includes international experts on censuses and administrative data. NRS is not formally part of the group but the Director of Statistical Services attends meetings and ensures that NRS officers are supporting the group through presentations and responding to agreed actions. The group's role is to:

- provide assurance that the census programme was ready to move on from the collect phase
- provide direction and support to NRS as it implements its statistical design after the collection phase
- propose amendments or changes for NRS to consider, including accessing additional administrative data.

19. In June 2022, the ISG made a public statement concluding that while the overall return rates were lower than originally planned, the extension to the collection period had improved returns and consistency, and that NRS had a 'solid foundation' on which to conclude the collection phase of the census and proceed with the CCS.

² Administrative data is the data that is collected by public sector bodies during the delivery of public services.

20. The CCS is a separate survey which runs after the census collection period. The CCS was used after the 2011 and 2001 Scottish censuses and similar surveys are used across the UK and in other census-taking countries. It collects information from about 1.5 per cent of Scottish households and is used to get a better understanding of the number of households who have not responded to the census and to support the census population estimates.

21. The CCS ran between 13 June and 22 August. The ISG reported to the Scottish Parliament's Constitution, Europe, External Affairs and Culture Committee that the overall CCS response rate was just below 60 per cent, compared with 87 per cent in 2011. The ISG noted that this is broadly consistent with the ONS CCS, which achieved a response rate of just over 60 per cent, and with a general decline in social survey response rates. The group also concluded that extending the CCS would have a negative impact on subsequent stages of the census programme and would not significantly increase the response rate.

22. The ISG's briefing to the committee noted that NRS will now need to place a greater reliance on the use of administrative data than originally planned to ensure the quality and accuracy of the census outputs. As the response rates to both the census and the CCS were lower than expected, NRS will need to use administrative data as part of the methodology for producing census population estimates, not just as part of the quality assurance process. The ISG is advising NRS and supporting NRS's applications for enhanced access and use of administrative data as part of the data processing phase.

23. The administrative data used includes the Electoral Register, information from the NHS Central Register on people who have registered with a GP in Scotland, the School Pupil Census and student data from the Higher Education Statistics Agency. This data is used to provide information on individuals and households that are missing from the census and CCS data. Administrative data is commonly used across the world as a key part of developing national population estimates. Its use becomes more important when the response rates are lower than expected.

NRS is now focused on post-collection quality control and assurance work

24. The Office for Statistics Regulation (OSR) is the independent regulatory arm of the UK Statistics Authority. It assesses all the censuses in the UK against the standards set out in the Code of Practice for Statistics. In August 2022, the Office for Statistics Regulation (OSR) wrote to NRS regarding the census.³ The OSR acknowledged the steps NRS has taken to achieve better return rates, in investigating what additional non-census data can be used to further improve the quality of census estimates, and in establishing the ISG to provide additional expert input.

³ [Mark Pont to Pete Whitehouse: Scottish Population Census – Office for Statistics Regulation \(statisticsauthority.gov.uk\)](https://www.statisticsauthority.gov.uk/consultations/2022/08/01/mark-pont-to-pete-whitehouse-scottish-population-census-office-for-statistics-regulation/)

25. The letter also noted that it would be in NRS's interests to be more transparent about the steps that it is taking to generate good quality census estimates. Following publication of the OSR letter, NRS has published a paper on its website providing an update on how it is adapting its methodology following the end of the collect phase.⁴ In October 2022, NRS also launched a consultation on census outputs.⁵ The OSR published a further letter to NRS on 16 November, which acknowledges the steps NRS has taken to increase transparency and notes that it is in a good position to address challenges arising from the collect phase.⁶ Further compliance checks will take place in 2022/23 with a final judgement on compliance with the Code, and National Statistics designation, due ahead of NRS publishing the first census outputs in 2023.

26. There will also be further TAF and gateway reviews during 2022/23 and 2023/24. This includes a benefits realisation gateway review.

Conclusions

27. NRS delivered the census primarily online. However, the response rate was lower than anticipated, meaning it had to extend the collection period. NRS estimates that this will increase lifetime programme costs by £6 million, from £138.6 million to £144.6 million.

28. Although the production of census outputs would always involve the use of the CCS and administrative data, due to the lower-than-anticipated return rates for the census and the CCS, NRS will now be more reliant on the use of administrative data than originally planned. NRS will also need to reflect on how the global trend in declining social survey response rates will impact on its approach to future censuses.⁷ NRS is taking important steps to ensure that Scotland's Census provides the most robust population data possible. This is a complex and significant process and it is important that NRS continues to be transparent as it makes progress with the planned work on analysing and validating census results towards the publication of first outputs during 2023. It should also conclude and share the lessons learned from the census programme delivery to date and keep its remaining delivery plans to 2024/25 under review, which includes planning for future censuses.

⁴ [Securing-high-quality-census-outputs-and-population-estimates.pdf \(scotlandscensus.gov.uk\)](https://scotlandscensus.gov.uk/Securing-high-quality-census-outputs-and-population-estimates.pdf)

⁵ [Scotland's Census 2022: Census Outputs Consultation | Scotland's Census \(scotlandscensus.gov.uk\)](https://scotlandscensus.gov.uk/Scotland's-Census-2022-Census-Outputs-Consultation)

⁶ [Mark Pont to Pete Whitehouse: Scottish Population Census – Office for Statistics Regulation \(statisticsauthority.gov.uk\)](https://statisticsauthority.gov.uk/Mark-Pont-to-Pete-Whitehouse-Scottish-Population-Census)

⁷ *Survey Nonresponse Trends and Fieldwork Effort in the 21st Century: Results of an International Study across Countries and Surveys*, Annemieke Luiten, Joop Hox, and Edith de Leeuw, *Journal of Official Statistics*, Vol. 36, No. 3, 2020, pp. 469–487.

29. Given the significant ongoing work required in 2022/23 to deliver the next stage of the census, I expect the auditor to continue to monitor NRS's progress with next stage of the census programme and will report in public as appropriate.

The 2021/22 audit of National Records of Scotland

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