

Assessment of compliance with the Code of Practice for Official Statistics

Statistics on Trade Union Membership

*(produced by the Department for Business, Innovation
and Skills)*

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About the UK Statistics Authority

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

The Authority's overall objective is to promote and safeguard the production and publication of official statistics that serve the public good. It is also required to promote and safeguard the quality and comprehensiveness of official statistics, and good practice in relation to official statistics.

The Statistics Authority has two main functions:

1. oversight of the Office for National Statistics (ONS) – the executive office of the Authority;
2. independent scrutiny (monitoring and assessment) of all official statistics produced in the UK.

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ASSESSMENT AND DESIGNATION

The *Statistics and Registration Service Act 2007* gives the UK Statistics Authority a statutory power to assess sets of statistics against the *Code of Practice for Official Statistics*. Assessment will determine whether it is appropriate for the statistics to be designated as National Statistics.

Designation as National Statistics means that the statistics comply with the *Code of Practice*. The *Code* is wide-ranging. Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Designation as National Statistics should not be interpreted to mean that the statistics are always correct. For example, whilst the *Code* requires statistics to be produced to a level of accuracy that meets users' needs, it also recognises that errors can occur – in which case it requires them to be corrected and publicised.

Assessment reports will not normally comment further on a set of statistics, for example on their validity as social or economic measures. However, reports may point to such questions if the Authority believes that further research would be desirable.

Assessment reports typically provide an overview of any noteworthy features of the methods used to produce the statistics, and will highlight substantial concerns about quality. Assessment reports also describe aspects of the ways in which the producer addresses the 'sound methods and assured quality' principle of the *Code*, but do not themselves constitute a review of the methods used to produce the statistics. However the *Code* requires producers to "seek to achieve continuous improvement in statistical processes by, for example, undertaking regular reviews".

The Authority may grant designation on condition that the producer body takes steps, within a stated timeframe, to fully meet the *Code's* requirements. This is to avoid public confusion and does not reduce the obligation to comply with the *Code*.

The Authority grants designation on the basis of three main sources of information:

- i. factual evidence and assurances by senior statisticians in the producer body;
- ii. the views of users who we contact, or who contact us, and;
- iii. our own review activity.

Should further information come to light subsequently which changes the Authority's analysis, it may withdraw the Assessment report and revise it as necessary.

It is a statutory requirement on the producer body to ensure that it continues to produce the set of statistics designated as National Statistics in compliance with the *Code of Practice*.

Contents

Section 1: Summary of findings

Section 2: Subject of the assessment

Section 3: Assessment findings

Annex 1: Suggestions for improvement

Annex 2: Compliance with Standards for Statistical Releases

Annex 3: Summary of assessment process and users' views

1 Summary of findings

1.1 Introduction

- 1.1.1 This is one of a series of reports¹ prepared under the provisions of the *Statistics and Registration Service Act 2007*². The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*³. The report covers the set of statistics reported in *Trade Union Membership*⁴ (*TUM*), produced by the Department for Business, Innovation and Skills (BIS).
- 1.1.2 Section 3 of this report adopts an ‘exception reporting’ approach – it includes text only to support the Requirements made to strengthen compliance with the *Code* and Suggestions made to improve confidence in the production, management and dissemination of these statistics. This abbreviated style of report reflects the Head of Assessment’s consideration of aspects of risk and materiality⁵. The Assessment team nonetheless assessed compliance with all parts of the *Code of Practice* and has commented on all those in respect of which some remedial action is recommended.
- 1.1.3 This report was prepared by the Authority’s Assessment team, and approved by the Board of the Statistics Authority on the advice of the Head of Assessment.

1.2 Decision concerning designation as National Statistics

- 1.2.1 The Statistics Authority judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest, subject to any points for action in this report. The Statistics Authority confirms that the statistics published in *Trade Union Membership* are designated as National Statistics, subject to BIS implementing the enhancements listed in section 1.5 and reporting them to the Authority by July 2012.

1.3 Summary of strengths and weaknesses

- 1.3.1 BIS requests feedback on its trade union statistics within the release and on its website, but it does not actively engage with any of its users of these statistics. The release does not include much information about users and the use made of the statistics.
- 1.3.2 *TUM* presents a range of statistics supported by some basic commentary, which helps to provide context. However, there is a lack of relevant information

¹ <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

² http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

³ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

⁴ <http://www.bis.gov.uk/policies/employment-matters/research/trade-union-stats>

⁵ <http://www.statisticsauthority.gov.uk/assessment/assessment/guidance-about-assessment/criteria-for-deciding-upon-the-format-of-an-assessment-report.pdf>

about the wider state of the labour market. *TUM* also provides good information about sampling and non-sampling variability in the report, but it does not provide any quantitative estimates of these errors.

- 1.3.3 The costs of producing these statistics is low; BIS has a data sharing agreement in place with ONS that allows for the provision of LFS data, free of charge.

1.4 Detailed recommendations

- 1.4.1 The Assessment team identified some areas where it felt that BIS could strengthen its compliance with the *Code*. Those which the Assessment team considers essential to enable designation as National Statistics are listed in section 1.5. Other suggestions, which would improve the statistics and the service provided to users but which are not formally required for their designation, are listed at annex 1.

1.5 Requirements for designation as National Statistics

Requirement 1	Further investigate and document the use made of the trade union membership statistics and seek to identify, and engage more with users outside BIS (para 3.1).
Requirement 2	Confirm that future changes to methods or classifications will be announced in advance of any publications (para 3.2).
Requirement 3	Publish more information about the quality of the trade union membership statistics, including information about the main sources of bias and other errors (para 3.3).
Requirement 4	Improve the commentary in <i>Trade Union Membership</i> so that it aids user interpretation of the statistics (para 3.4).

2 Subject of the assessment

- 2.1 Official data on trade union membership have been collected for over a century. The Department for Business, Innovation and Skills is responsible for publishing the National Statistics on trade union membership.
- 2.2 *Trade Union Membership (TUM)* was first published in its current form in 2004 and has been published each year since. The majority of the statistics are compiled from data provided from the Labour Force Survey⁶ (LFS), run by the Office for National Statistics (ONS). Trade union membership statistics are presented by occupation, industry, and descriptors such as age, sex, ethnicity and geography. Statistics are given on trends in membership numbers, trade union presence within a workplace, and collective agreement⁷ coverage. One table and chart also presents corresponding statistics on total trade union membership derived from data provided by the Certification Office⁸ (CO). BIS told us that it has a data access agreement with ONS that covers the regular supply of LFS data, which includes data on trade union membership.
- 2.3 The LFS is a UK-wide household survey. Additional questions relating to trade union membership were introduced to the LFS between 1989 and 1996; these are asked in the fourth quarter. In 1999, the questions were re-worded and re-ordered, affecting the time series. The LFS trade union membership questions are asked only of respondents currently in employment⁹. Data collected by the CO come directly from trade unions and are likely to include members employed overseas, those who are unemployed and retired members.
- 2.4 BIS told us that the statistics are increasingly being used by policy colleagues for drafting advice about trade union membership to Ministers, and in communication with the International Labour Organization (ILO)¹⁰. The Confederation of British Industry¹¹ (CBI) uses the statistics for research, policy development and briefing members about the state of union membership in GB. The Trades Union Congress¹² (TUC) uses the statistics to identify areas of low membership, for example, in particular regions and industries. The data are also re-presented by OECD on its labour statistics pages¹³, which provide comparable statistics across the member countries.
- 2.5 BIS told us that the annual cost of producing these statistics is around £2,700; this includes the cost of quality assurance and producing the final report. BIS does not incur any costs for the data collected from the LFS.

⁶ <http://www.ons.gov.uk/ons/guide-method/surveys/list-of-surveys/survey.html?survey=Labour+Force+Survey>

⁷ A 'collective agreement' is a term used to describe whether the pay and conditions of employees are agreed in negotiations between the employer and a trade union

⁸ <http://www.certoffice.org/>

⁹ Includes people aged 16 or over who: did paid work (as an employee or self-employed); had a job that they were temporarily away from; were on government-supported training and employment programmes; and were doing unpaid family work

¹⁰ The ILO is an UN organisation that seeks to promote social justice and human and labour rights

¹¹ <http://www.cbi.org.uk/>

¹² <http://www.tuc.org.uk/>

¹³ <http://stats.oecd.org/Index.aspx>

3 Assessment findings

- 3.1 BIS consulted the users of *TUM* in 2004/05 as part of a wider quality review of its trade union statistics. A report about the findings from the review was finalised in 2006, although it was never published. The Assessment team was told that feedback is requested each year via BIS's website, but that this does not result in many responses from users. BIS does not have a specific user group for these statistics, and it has not had much engagement with ONS's LFS User Group. As part of the designation as National Statistics, BIS should further investigate and document the use made of the *TUM* statistics and seek to identify, and engage more with users outside BIS¹⁴ (Requirement 1). In meeting this Requirement, we suggest that BIS refer to the types of use put forward in the Authority's Monitoring Brief, *The Use Made of Official Statistics*¹⁵, when documenting use. We also suggest that BIS publish the findings from the quality review conducted in 2004/05, and a summary of progress made in implementing the review's recommendations.
- 3.2 In 2006, ONS changed its production and presentation of LFS estimates from seasonal quarters to calendar quarters¹⁶, which led to a break in the time series. In 2008, ONS carried out an extensive reweighting programme to amend historical data to a calendar quarter basis. Although the changes were explained in the relevant and subsequent *TUM* publications, the changes were not preannounced by BIS. As part of the designation as National Statistics, BIS should confirm that future changes to methods or classifications will be announced in advance of any publications¹⁷ (Requirement 2).
- 3.3 *TUM* includes a technical annex (Annex A) about the methods used to produce these statistics from data provided from the LFS. This includes information about: the trade union questions in the LFS; other variables collected; and estimating union membership. Annex A also provides some basic information about non-sampling error due to proxy responses, and the potential misreporting by some public sector employees whose pay and conditions are affected by collective agreements, although this is not quantified. There is also some discussion about standard errors, but these are not quantified. As part of the designation as National Statistics, BIS should publish more information about the quality of the *TUM* statistics, including information about the main sources of bias and other errors, and the strengths and limitations in relation to potential uses¹⁸ (Requirement 3). In meeting this Requirement, we suggest that BIS include links to further information about the methods used to run the LFS and the quality reports¹⁹ published by ONS.
- 3.4 *TUM* includes some basic commentary that helps provide the reader with some context. However, *TUM* lacks commentary about the wider state of the labour

¹⁴ In relation to Principle 1, Practice 2 of the *Code of Practice*

¹⁵ <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/monitoring-brief-6-2010---the-use-made-of-official-statistics.pdf>

¹⁶ A seasonal quarter would be December to February (Winter); a calendar quarter would be January to March. See <http://www.ons.gov.uk/ons/rel/lms/labour-market-trends--discontinued-/volume-114--no--6/index.html>

¹⁷ In relation to Principle 2, Practice 4 of the *Code of Practice*

¹⁸ In relation to Principle 4, Practice 2 and Principle 8, Practice 1 of the *Code of Practice*

¹⁹ <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/labour-market/labour-force-survey/index.html>

market, which is likely to affect changes in union membership levels. *TUM* also provides some useful maps that highlight differences in union density across the UK, but more information about industry breakdowns and the labour market could usefully be provided. As part of the designation as National Statistics, BIS should improve the commentary in the releases so that it aids user interpretation of the statistics²⁰ (Requirement 4). We suggest that in meeting this requirement BIS should consider the points detailed in annex 2.

²⁰ In relation to Principle 8, Practice 2 of the *Code of Practice*

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to BIS's Trade Union Membership statistics, in the interest of the public good. These are not formally required for designation, but the Assessment team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

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|---------------------|---|
| Suggestion 1 | Refer to the types of use put forward in the Statistics Authority's Monitoring Brief, <i>The Use Made of Official Statistics</i> when documenting use (para 3.1). |
| Suggestion 2 | Publish the findings from the quality review conducted in 2004/05 and a summary of progress made in implementing the review's recommendations (para 3.1). |
| Suggestion 3 | Include links to further information about the methods used to run the LFS and the quality reports published by ONS in <i>Trade Union Membership</i> (para 3.3). |
| Suggestion 4 | Consider the points detailed in annex 2, in seeking to improve the statistical releases (para 3.4). |

Annex 2: Compliance with Standards for Statistical Releases

- A2.1 In October 2010, the Statistics Authority issued a statement on *Standards for Statistical Releases*²¹. While this is not part of the *Code of Practice for Official Statistics*, the Authority regards it as advice that will promote both understanding and compliance with the *Code*. In relation to the statistical releases associated with trade union membership statistics, this annex comments on compliance with the statement on standards.
- A2.2 In implementing any Requirements of this report (at paragraph 1.5) which relate to the content of statistical releases, we encourage the producer body to apply the standards as fully as possible.

Appropriate identification of the statistics being released

- A2.3 The title of the release clearly states the content and time period of the statistics, although the frequency of the release is implied. Standard headings and logos are used and the name of the department and statistician is provided along with a group email address. *TUM* contains a contents page and a list of tables and charts. No revisions are identified in the release.

Include commentary that is helpful to the non-expert and presents the main messages in plain English

- A2.4 Key findings are presented as bullet points under topic headings. The language used is fairly straightforward and the technical annex provides a glossary of concepts and definitions. There is no information about how the statistics are used.
- A2.5 The majority of commentary presents increases or decreases and straightforward comparisons; for example between males and females. Some of the commentary helps to provide context, but it lacks discussion about the wider state of the labour market and trends in employment patterns, which is likely to be related to trade union membership. *TUM* presents a comparison of the wage differences between trade union members and non-members but this does not adjust for differences in characteristics such as age and education levels, which it states will partly account for the differences shown. Wage comparisons are also made between members and non-members in each of the public and private sectors, but no information is given about what might account for these differences.
- A2.6 *TUM* includes some good graphs (although some are missing labels), maps and tables.

²¹ <http://www.statisticsauthority.gov.uk/news/standards-for-statistical-releases.html>

Use language that is impartial, objective and professionally sound

A2.7 The text is impartial and demonstrably evidence based; descriptive statements are consistent with the statistics.

A2.8 Descriptions are professionally sound. Annex A provides a discussion of sampling and non-sampling error. A discussion of standard errors is provided but neither these, nor confidence intervals, are published.

Include information about the context and likely uses

A2.9 No information is provided about why the statistics are produced or the operational or policy context. Annex A provides information about the quality of the statistics but does not discuss this in relation to the potential uses.

Include, or link to, appropriate metadata

A2.10 Annex A provides information about data sources, definitions and methods. We consider that a link to further methods information about the LFS would enhance this information further. The release and annex also provide a comparison of statistics derived from LFS data with trade union estimates from the Certification Office.

A2.11 Where methods or definitions have changed, this is discussed in the commentary. Tables are also marked to identify a change in time series. Annex A provides a comparison and graph of trade union density using old LFS seasonal quarters and new LFS calendar quarters.

A2.12 No indication is given that any statistics have been revised or that they are subject to scheduled revisions.

Annex 3: Summary of assessment process and users' views

- A3.1 This assessment was conducted from November 2011 to March 2012.
- A3.2 The Assessment team – Rachel Beardsmore and David Duncan-Fraser – agreed the scope of and timetable for this assessment with representatives of BIS in October 2011. The Written Evidence for Assessment was provided on 5 December 2011. The Assessment team subsequently contacted BIS during January 2012 to review compliance with the *Code of Practice*, taking account of the written evidence provided and other relevant sources of evidence.

Summary of users contacted, and issues raised

- A3.3 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.
- A3.4 The Assessment team received five responses from the user consultation. The respondents were grouped as follows:

Academia	2
Certification Office	1
Data supplier	1
Trade Union	1

- A3.5 Users were content with the statistics presented in *TUM*. Two users told us that the statistics were invaluable for presenting information on union bargaining, the state of union membership, and helping to identify challenges that unions face in increasing membership and representation in the UK. Users also said that they found BIS colleagues helpful and responsive.

Key documents/links provided

Written Evidence for Assessment document

