

Households below Average Income: Understanding the Customers

1. In order to help understand the relevance and use of the Households Below Average Income (HBAI) statistics details a usage survey was made publicly accessible on the publication website at the time of the release of the 2009/10 publication. The survey was designed to capture the views of users both internal and external to the Department of Work and Pensions (DWP). This document summarises the responses received from May to July 2011.
2. This report is necessarily based on information from the users who chose to respond to our exercise so is only an indication of the uses of the statistics and may not cover the views of all users.

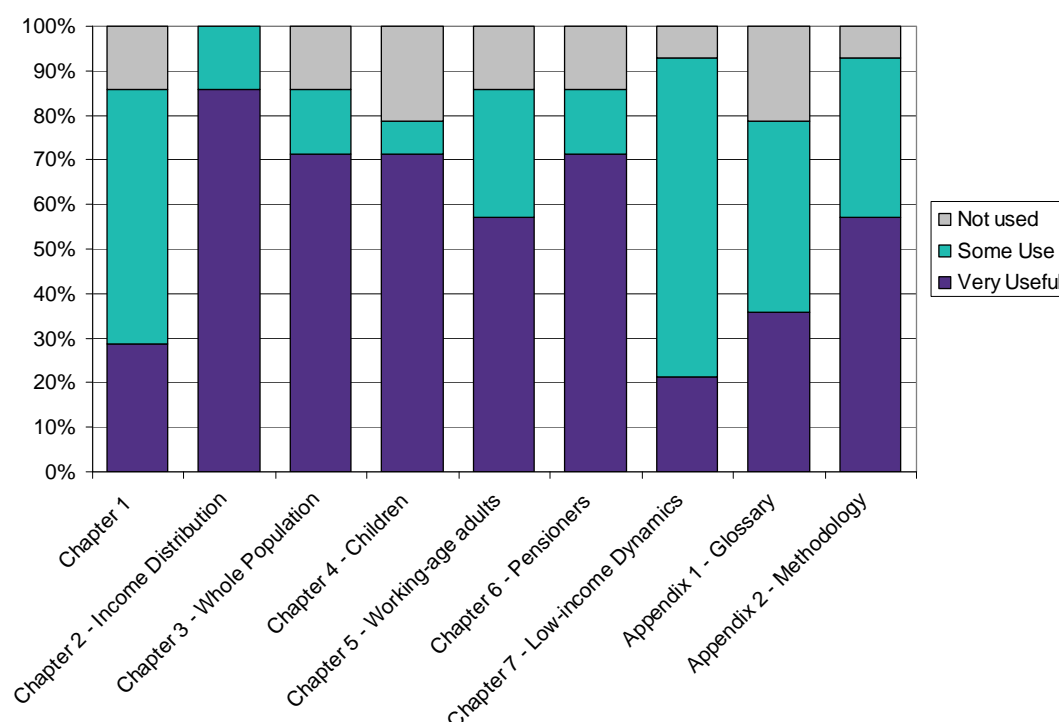
Customers of Household Below Average Income Statistics

3. Around 75% of responses were from public sector staff, both from Government Departments and other public sector bodies, and 25% were from a variety of external organisations. Users include:
 - Policy and analytical teams within the DWP
 - The Child Poverty Unit
 - HM Treasury
 - Department for Environment, Food and Rural Affairs
 - Office for National Statistics
 - English Local authorities
 - Welsh Government
 - Scottish Government
 - Department for Social Development in Northern Ireland
 - House of Commons Library
 - Greater London Authority
 - London School of Economics
 - Institute of Social and Economic Research at the University of Essex
 - Other Academics
 - Journalists
 - The Trades Union National Centre
 - The voluntary sector
 - The third sector

Chapters Used

4. The HBAI publication has chapters on each of the population client groups and the whole income distribution Chart 1 below shows the proportion of respondents that considered each chapter to be very useful, of some use, or not used:

Chart 1: Proportion of respondents by consideration of HBAI publication chapters



Main uses of HBAI statistics

5. Based on the responses received the key reasons for the use of the statistics are summarised below:
6. Inform the Child Poverty Strategy – The HBAI statistics inform 6 of the 15 indicators outlined in the Child Poverty Strategy, published on 5 April 2011 and available at the following URL:
<http://www.education.gov.uk/publications/standard/publicationDetail/Page1/CM%208061>
The indicators cover, relative low income, absolute low income, low income and material deprivation, severe low income and material deprivation, in work poverty and family structures.
7. Inform the DWP Impact Indicators – The HBAI statistics informs 2 of the DWP impact indicators; rate of pensioner poverty and rate of disability poverty.

8. Policy Development – The HBAI statistics are used to inform policy development throughout the DWP and other Government Departments. The ability to review the income distribution of the country and refine that to particular groups of interest allow the appropriate setting of financial policies to affect the appropriate target population.
9. Policy impacts assessment – The HBAI data is used in the DWP's Policy Simulation Model (PSM) and HM Treasury's Inter-Governmental Tax Benefit Model (IGOTM). This enables the assessment of the impact of proposed policies to see how it will affect the income distribution of the country both in terms of income inequality and low income measures.
10. Briefings and ad hoc queries – the HBAI statistics are used in ad hoc queries such as parliamentary questions and feed in to ministerial briefings. The Child Poverty Unit use the data along with several policy areas within DWP.
11. Third sector and lobby group analysis – The HBAI datasets are available to the public via the UK Data Archive. This enables third sector and lobby groups to use the data to produce their own measures of low income and identify the scope and scale of vulnerable groups they are interested in. The HBAI team provide advice and a checking service for any ad hoc analysis carried out on the HBAI datasets.

Feedback

12. The main suggestion for improvement coming out of the responses was for the statistics to be provided at a lower level and to a greater degree of accuracy e.g. for local authorities and rounded to the nearest 10,000. Unfortunately due to the nature of the estimates being based on survey data it is not possible to provide robust estimates below regional level or to a level of accuracy below the nearest 100,000 people.
13. In addition the expansion of new measures such as the Severe Child Poverty and pensioner material deprivation indicators to show more detailed demographic splits. Expansion of these measures will be considered for the 2012 HBAI publication.
14. General feedback indicated that the report served an important purpose, provides valuable information and was well presented.