

Census (Amendment) (Scotland) Bill

Financial Memorandum

Introduction

1. As required under Rule 9.3.2 of the Parliament's Standing Orders, this Financial Memorandum is published to accompany the Census (Amendment) (Scotland) Bill, introduced in the Scottish Parliament on 2 October 2018.

2. The following other accompanying documents are published separately:

- Explanatory Notes (SP Bill 40–EN);
- a Policy Memorandum (SP Bill 40–PM);
- statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 40–LC).

3. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.

4. The main effect of this Bill is to permit voluntary questions on sexual orientation and transgender status/history to be asked in censuses conducted under the Census Act 1920.

Background – Overall Cost of Running a Census

5. Irrespective of the precise design, running a Census involves the following activities:

- Identifying all residential households and communal establishments

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- Supplying each address with the means to respond to the Census (in the past a paper questionnaire, in the future an internet access code for the majority)
- Securely collecting the data from each household and communal establishment and, in close to real time, recording responses to identify and follow-up on non-respondents
- Employing and managing a temporary field force across Scotland to help and persuade the public to respond and to progress non-compliance action where they fail to do so
- Establishing and managing a contact centre and public support across Scotland to ensure people are supported to respond
- Carrying out a complex set of processes to convert responses into statistical outputs and then disseminating these outputs.

6. There are a number of key drivers which influence the cost of carrying out these activities:

- the number of households and communal establishments
- the desired response rate and therefore quality of outputs
- the willingness and capacity of the public to respond to the census without the need for intervention
- the proportion of online and paper returns
- the questionnaire size and content.

It is the last of these key drivers which is affected by the Bill.

7. The financial data which National Records of Scotland holds in relation to the 2011 Census do not provide the necessary level of detail to estimate the total cost of asking an individual question. However, work carried out by other UK Census Offices following 2011 estimated that around 90 per cent of the cost of running the Census is incurred in the basic operation to count the population. The estimated marginal cost of including all of the additional questions about household and person characteristics (in addition to basic headcount data) is in the order of 10 per cent of the total costs of the census. Therefore, once the systems and services are in place to collect the basic information, the marginal cost of increasing the length of the questionnaire and processing the data are relatively low.

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Costs On The Scottish Administration

8. No direct costs are attributable to the Bill. The Bill enables the asking of questions on sexual orientation and transgender status/history on a voluntary basis, but it does not require that these questions be asked. The Scottish Parliament will consider the particulars to be collected in the 2021 Census as part of the scrutiny of the subsequent Census Order (to be made under section 1 of the 1920 Act); however it is the intention of the Scottish Government that these questions be asked. Therefore, whilst there are no direct costs of the Bill, it is the potential full costs associated with the addition of these questions which are considered here.

9. The overall cost of the 2021 Census over the whole 10 years of development and operation (2015/16 to 2024/25) is currently estimated to be around £100 million with the majority of the spend occurring in the years 2018/19 to 2021/22. Using an estimate of 10 per cent of the total costs, being the marginal costs of questions over and above a basis headcount, the cost of all of these questions is estimated to be £10 million. That figure relates to the work to develop the question set, the capturing and coding of the question responses and the processing of the data. The majority of this spend will relate to capture, coding and processing and will fall in 2021/22.

10. There are currently 59 questions being proposed to be asked on the 2021 Census questionnaire: 15 relating to households and 44 to individuals within the household. Assuming an equal amount of effort is required to answer and process each question; this equates to approximately £170,000 per question and therefore the estimated cost of asking these two questions would be £340,000.

11. This figure is considered to be a maximum value. Given the voluntary nature of these questions, it is reasonable to assume a lower response rate than for other questions leading to less processing being required. In addition, there would be no non-compliance follow-up or imputation for missing responses to these questions; these processes are time consuming. Finally, the estimate of 10 per cent relates to the 2011 Census where approximately 80 per cent of the returns were on paper with only just under 20 per cent online. It is considerably more costly to process a paper return than an online one both in terms of the scanning required and also the data cleansing and coding; the online system can limit the responses to valid ones only. In 2021, National Records of Scotland are

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aiming to broadly reverse the proportions of paper and online and therefore the marginal cost of an individual question is expected to be less.

12. Set against this is the possibility that asking such sensitive questions could lead to increase in requests for individual internet access codes or questionnaires rather than household ones. At this stage National Records of Scotland have no estimate of the likely scale of such requests, nor indeed enough information yet on the detailed running costs of the census operation to be able to estimate the cost of an individual response, and therefore the additional operational costs that might be incurred. No allowance for this has been assumed.

13. The other costs which are potentially affected by the addition of extra questions are those associated with printing of paper Census questionnaires and specific testing of the questions.

14. In terms of the printing, the length of a questionnaire booklet increases in multiples of four (essentially the questionnaire booklet consists of pages of A3 folded in half and printed on both sides). The current design for Scotland's 2021 Census questionnaire is for a 32 page booklet containing both household questions and individual questions for up to five members of a household, each covering four and a half pages. The addition of these two questions does not affect the number of overall pages and therefore printing costs.

15. In terms of additional question testing specifically relating to these two questions, there have been two externally commissioned sets done to date. The first was a full set of cognitive and quantitative testing on all of the questions which cost £127,000. This covered 22 question topics. Gender identity and sexual orientation were covered as one topic and therefore the pro rata cost was £6,000. The other specific set of testing that was carried out was around the public acceptability of asking questions on sexual orientation and gender identity. This work was carried out in conjunction with other UK Census Offices and the Scottish share of costs was £40,000. Given that this work has already been undertaken, of course, these costs are not attributable to implementation to the Bill

Costs On Local Authorities

16. The taking of the Census is a central process funded directly by the Scottish Administration and carried out by National Records of Scotland. It

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is not anticipated that there would be any additional costs on local authorities either as a direct result of this Bill or as a result of the asking of questions on sexual orientation or transgender status/history in the 2021 Census.

Costs On Other Bodies, Individuals And Businesses

17. The taking of the Census is a central process funded directly by the Scottish Administration and carried out by National Records of Scotland. It is not anticipated that there would be any additional costs on other bodies, individuals or businesses either as a direct result of this Bill or as a result of the asking of questions on sexual orientation or transgender status/history in the 2021 Census.

Summary

18. While there are no direct costs of this Bill, taking a broader view on the potential full costs which may result from the asking of the questions enabled by this Bill, these are estimated to be of the order of £386,000 as shown in the table below. These are resource costs which fall within the agreed budget.

Spend type	Estimated value
Share of overall costs attributed to questions on sexual orientation and gender identity	£340,000
Share of overall cognitive and quantitative question testing attributed to these topics	£6,000
Scottish share of public acceptability testing	£40,000
Overall cost	£386,000

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