

Summary Quality Report for the Quarterly Dividends Inquiry

1 Introduction

This report is part of a rolling programme of quality reports being introduced by the Office for National Statistics (ONS). The full programme of work being carried out on [Statistical Quality](#)¹ is available on the National Statistics website. Summary Quality Reports are overview notes which pull together key qualitative information on the various dimensions of quality as well as providing a summary of methods used to compile the output.

This report relates to estimates of dividends paid and received collected by the Quarterly Dividends Inquiry (QDI) survey and aims to provide users with information on usability and fitness for purpose of these estimates. The survey collects information on the dividends paid and received during each calendar quarter. The sample is approximately 1200 UK non-financial corporations not quoted on the London Stock Exchange.

Terminology, concepts and methods used in capital expenditure can be found in the UK [National Accounts: Concepts, Sources and Methods](#)².

2 Summary of Quality

2.1 Relevance

The degree to which the statistical product meets user needs for both coverage and content.

A dividend is the distribution of part of the earnings of a business to its shareholders.

	Quarterly Dividends Inquiry
What it measures	The QDI measures dividends received and paid during a calendar quarter
Frequency	Quarterly
Sample size	Approximately 1,200 per quarter
Sample frame	Inter-Departmental Business Register (IDBR)
Sample design	Stratified random sample where the strata are defined by Standard Industrial Classification (SIC) and turnover. There are 5 or 6 turnover bands which vary by section
Weighting	Each business represents a number of similar businesses, based on turnover and SIC (currently SIC 2003)
Estimation	Ratio estimation for non-selected companies and non-response
Imputation	There is no imputation in this survey
Outliers	Businesses with extreme or atypical dividends for their business size are treated as outliers. This is a manual process

The key users of the dividend estimates are the Private Non-financial Corporation Branch (PNFC) of National Accounts Group (NAG). These are the only users of the data in this format.

PNFC use the data to provide estimates for use in the compilation of the Sector Accounts. Sector Accounts provide information on the contribution to the national aggregates by each sector and show the resources employed by each sector. This information feeds into the National Accounts. There is no alternative source of dividends data for unquoted PNFCs.

Estimates of dividends paid and received, based on information collected by the QDI, are also supplied to Eurostat under a statutory regulation. They are also used by city analysts and university academics for monitoring the performance of the economy.

The survey covers UK PNFCs across the whole economy (excluding agricultural companies, public sector, financial and charities). Companies quoted on the London Stock Exchange are also excluded. Questionnaires are sent to approximately 1,200 businesses per quarter, requesting data for dividends paid and received.

Results are produced three times a quarter: provisional, revised and late results for use in the Sector Accounts. National accounts receive a value for dividends paid and a value for dividends received. These values are weighted to take into account non-response and non-sampled businesses.

The survey is reviewed every three years as are all quarterly surveys in line with the government's guidelines for controlling statistical surveys. The review ensures there is minimum burden placed on respondents, whilst also ensuring that the data collected are necessary and could not be produced by an alternative method.

QDI and the [UK National Accounts](#)³ are compiled in accordance with the [European System of Accounts 1995 \(ESA 95\)](#)⁴, under EU law. ESA 95 is itself consistent with the standards set out in the [United Nations, System of National Accounts 1993 \(SNA 93\)](#)⁵.

2.2 Accuracy

The closeness between an estimated result and the (unknown) true value.

Estimates from this survey are subject to various sources of error. Total error consists of two elements, the sampling error and the non-sampling error.

Sampling error

This occurs because estimates are based on a sample rather than a census. Sampling error is minimised for the Quarterly Dividends Inquiry through the use of a scientifically chosen sample which is reviewed and refined periodically. From Q1 2008, sampling errors have been continually monitored with standard errors and coefficients of variation calculated for all survey outputs.

Non-sampling error

Non-sampling errors are not easy to quantify and include errors of coverage, measurement, processing and non-response. Response rates give an indication of the likely presence of non-response error (bias) on the estimates. The survey sample is selected from the IDBR, a database of UK businesses that is maintained by ONS. Response must be 85 per cent at revised results. Non-sampling error is minimised through comprehensive input and output editing processes and other processes, eg questionnaire design & testing.

Each quarter respondent data are checked against previous returns and discrepancies investigated. Aggregate data are compared quarter-on-quarter and against previous results.

2.3 Timeliness and Punctuality

Timeliness refers to the lapse of time between publication and the period to which the data refer. Punctuality refers to the time lag between the actual and planned dates of publication.

The QDI Inquiry is quarterly and produces three outputs per quarter and results are delivered in line with the National Accounts timetable. Provisional results are available to National Accounts eight weeks after the end of the calendar quarter; revised results nine weeks; and late results approximately twenty-two weeks.

2.4 Accessibility and Clarity

Accessibility is the ease with which users are able to access the data, also reflecting the format(s) in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.

PNFC Branch receives a briefing for each output. These include reasons for movements in the data and response rates.

Total Quarterly Dividend estimates of dividends paid and received are delivered and used in the compilation of the Sector Accounts. Access to data at the individual business level is restricted. The confidentiality of the data are legally enforced by the Statistics of Trade Act 1947.

2.5 Comparability

The degree to which data can be compared over time and domain.

The survey commenced during 2000 and since then has been conducted on the same basis. The sample has remained constant at approximately 1,200 contributors each quarter. However, since Q4 2006, agricultural businesses have been removed from the sample, as this information is available from the Department of the Environment, Food and Rural Affairs (Defra). Removal of these businesses resulted in a decreased sample size. Therefore, the number of businesses required to maintain the overall sample size were apportioned to other sectors within the sample. Data comparability between ONS and Defra has never been carried out, as it wasn't deemed necessary due to the agricultural sample size being so small.

There have been no amendments to the questionnaire.

2.6 Coherence

The degree to which data that are derived from different sources or methods, but which refer to the same phenomenon, are similar.

There is no alternative source of dividends data available on a quarterly basis for companies not quoted on the London Stock Exchange, apart from Defra, which is an alternative source providing data for agricultural businesses.

3 Summary of Methods Used to Compile the Output

3.1 Data Collection

There is one questionnaire requesting data for dividends paid and dividends received during a calendar quarter. Although asked for a calendar quarter, respondents may provide data for slightly different period if this is more convenient. Best estimates are acceptable. Telephone Data Entry (TDE) is used to collect the information, as this is the most efficient way for only two questions.

3.2 Sample and Design

The QDI sample is approximately 1,200 businesses, sampled from the IDBR. Stratification of the QDI is by SIC section and annual turnover band.

The strata are shown in the table below.

SIC section	Annual turnover bands (£ thousands)
Hotels and Restaurants Private adult education Private hospitals and nursing homes Veterinary activities	(0, 1-999, 1,000-4,999, 5,000-49,999 and 50,000+)
Mining and Quarrying	(0, 1-999, 1,000-4,999, 5,000-199,999 and 200,000+)
Manufacturing	(0, 1-999, 1,000-4,999, 5,000-49,999, 50,000-999,999 and 1,000,000+)
Electricity, Gas and Water Supply	(0, 1-9,999, 10,000-999,999 and 1,000,000+)
Construction	(0, 1-999, 1,000-4,999, 5,000-49,999, 50,000 – 199,999 and 200,000+)
Wholesale and Retail Trade Repair of Motor Vehicles Motorcycles and Personal Household Goods Transport, Storage and Communication Real Estate, Renting and Business Activities Other Community, Social and Personal Service Activities	(0, 1-999, 1,000-4,999, 5,000-49,999, 50,000-999,999 and 1,000,000+)

All businesses in the largest sizeband for each SIC section are sampled.

3.3 Coverage

UK private non-financial corporations are not quoted on the London Stock Exchange across the economy. Industries excluded are: hunting, forestry and fishing, financial and public sectors and charities. Agriculture is also excluded, as National Accounts obtain this data from DEFRA.

3.4 Statutory Status

The statutory basis of the QDI survey in Great Britain is the Statistics of Trade Act 1947.

3.5 Survey Procedures

Questionnaires are despatched two weeks before the end of the quarter, followed by two written reminders. Where possible, questionnaires are addressed to a named contact. All respondents can reply by either using TDE or the supplied questionnaire.

Returned questionnaires are scanned with Optical Character Recognition (OCR) used to create an image. Images are stored, thus reducing paper handling, retrieval and storage. Paper questionnaires are subsequently shredded and recycled.

Received data are put through a series of credibility checks. Businesses can be re-contacted if the data fails these checks.

There is no imputation or construction of data within this survey. The QDI uses ratio estimation, with turnover as the auxiliary variable.

Atypical data are identified manually and classified as outliers. An outlier weight is used to reduce the effect of these atypical responses.

An estimate of total dividends paid and total dividends received are delivered to National Accounts as lower level data are not required

4 References

	Title of Reference	Website Location
1	Statistical Quality Programme	http://www.statistics.gov.uk/about/data/methodology/quality/default.asp
2	UK National Accounts: Concepts, Sources and Methods	http://www.statistics.gov.uk/statbase/product.asp?vlnk=1144
3	Guide to the National Accounts	http://www.statistics.gov.uk/CCI/nugget.asp?ID=55
4	European System of Accounts 1995 (ESA 95)	http://circa.europa.eu/irc/dsis/nfaccount/info/data/esa95/en/esa95en.htm
5	UN System of National Accounts 1993 (SNA 93)	http://unstats.un.org/unsd/sna1993/introduction.asp

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