

Gordon Lindhurst MSP
Convener
Economy, Jobs and Fair Work Committee
Scottish Parliament

28 November 2017

Dear Convener,

During my appearance at the evidence session on 7 November, I promised to provide further detail on three issues.

Personal wellbeing (sample sizes)

One Committee member asked about the size of the Scottish sample for the personal well-being statistics published by the Office for National Statistics (ONS)¹.

ONS collects and publishes data on four aspects of personal well-being, and the samples for each aspect vary slightly:

- i) *How satisfied respondents are with life;*
The total (UK) sample for questions on life satisfaction was 148,750, of which the Scottish sample was 19,990.
- ii) *The extent to which respondents find things in their lives worthwhile;*
The total (UK) sample for these questions was 148,310, of which the Scottish sample was 19,960.
- iii) *How happy respondents feel; and*
The total (UK) sample for questions on happiness was 148,690, of which the Scottish sample was 19,990.
- iv) *How anxious respondents feel.*
The total (UK) sample for questions on anxiety was 148,600, of which the Scottish sample was 19,990.

Further details on the quality information for this data (including sample sizes) can be found on the ONS website².

VAT data

Committee members also asked about the reliability of tax data, in the context of statistics and research.

Over the last year, ONS have been working to better understand VAT data as an administrative data source. We have published a number of articles highlighting the results of our analysis.³

¹ ONS (Nov 2017): [Personal well-being in the UK: July 2016 to June 2017](#)

² ONS (Nov 2017): [Quality information for personal wellbeing estimates](#)

In the course of our work, we have identified a range of ‘data challenges’; that is, areas in which ONS has needed to investigate improvements to processes and methodology.

Having considered issues such as non-response, seasonality, and apportionment carefully, ONS will soon begin to use VAT data in the calculation of the UK’s quarterly National Accounts.

Initially, ONS will begin to use VAT data for small and medium-sized businesses for all industries covered by the monthly business surveys excluding retail, which cover around 25 per cent of monthly output. In addition, VAT will initially only be used to estimate growth rates, with the overall level of output still derived from the Annual Business Survey. Over time the majority of turnover will be recorded using VAT returns, with monthly surveys only used to cover the largest businesses.

VAT allocated to Scotland (HM Treasury calculations)

Finally, Committee members also asked about HM Treasury’s methodology for calculating the VAT allocated to Scotland. These calculations are a matter for HM Treasury, rather than ONS, and as such I have flagged members’ interest with officials at HM Treasury.

As I said at my appearance before the Committee, ONS is keen to work closely with the Scottish Parliament, to ensure we are delivering the data decision-makers require. Please do not hesitate to get in touch, if we can be of any further assistance.

Yours sincerely,



Jonathan Athow

Deputy National Statistician and Director General, Economic Statistics
Office for National Statistics

³ See for example:

ONS (Oct 2016): [VAT turnover, initial research and analysis, UK: Jan 2014 to Mar 2016](#)

ONS (Nov 2017): [VAT turnover implementation into National Accounts: November Update](#)