



T: 0300 244 4000  
E: scottish.ministers@gov.scot

Convener  
Scottish Parliament  
Economy, Jobs and Fair Work Committee  
Scottish Parliament Building  
Edinburgh  
EH99 1SP

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Dear Convener,

### **INQUIRY INTO ECONOMIC STATISTICS REPORT: HOW TO MAKE DATA COUNT**

In responding to the Committee's recommendations I would like to take the opportunity firstly to commend the Committee on their evidence collection, deliberations and resulting recommendations. The quality and breadth of our economic statistics is important and I welcomed this inquiry and the opportunity to provide evidence.

In considering the recommendations directly applicable to the Scottish Government I can confirm that we endorse and accept all but one of the recommendations. Two of the recommendations relate directly to the Chief Statistician given his independent role and he will respond separately in that regard.

The Annex to this letter provides more specific details in relation to each of the recommendations. I realise that implementing these will take time and I am happy to provide further updates on progress in the future – perhaps on an annual basis.

I hope you find this helpful and would be happy to discuss further as required.

Yours sincerely

**Cabinet Secretary for Economy,  
Jobs and Fair Work**

# ANNEX “HOW TO MAKE DATA COUNT” RECOMMENDATIONS

## Please find below our response to each recommendation

- Make economic statistical quality a priority;

*Over the past decade we have greatly improved the quality and range of economic statistics for Scotland. We seek advice from a wide range of experts through the Scottish Economic Statistics Consultation Group (SESCG) and its various subgroups, and we are very open about our short, medium and long term planning arrangements. There are many on-going developments and Special Projects underway to further improve the quality of economic statistics for Scotland. These statistics therefore remain a priority.*

- Present future annual Scottish Economic Statistics Plans to the Committee;

*The Scottish Economic Statistics Plan (SESP) is currently being developed for 2018/19. Proposals were discussed at the recent SESCOG meeting on 16<sup>th</sup> March. We will discuss the plan with the Committee prior to its publication in April/May.*

- Prioritise boosting coverage and quality of four key areas:

### 1. Earnings.

*HMRC have published Real Time Information PAYE and we are working with them to ensure their publication meets Scottish needs.*

### 2. Trade (exports and imports).

*We are currently liaising with HMRC to obtain trade data to allow matching between HMRC's Regional Trade Statistics (RTS) and the Scottish Government's Global Connections Survey. We aim to pilot an on line data collection tool to increase the response rate to the Global Connections Survey.*

*We are also currently considering how to rationalise the various trade estimates for Scotland to derive more consistent estimates, accepting that data come from different sources and are collected using different definitions.*

### 3. Price index for Scotland.

*We are currently discussing the availability of regional price data with ONS. At present there is little available data on regional prices.*

### 4. Better regional – and even smaller level – economic statistics.

*A new SESCOG sub-group, Sub-Scotland Economic Statistics Group (SSESG) was established in November 2017, consisting of members from the Scottish Government, enterprise agencies, local authorities, Improvement Service and ONS to develop plans to improve the range and quality of sub-Scotland economic data. These plans will be included in the SESP. The group has met twice and the next meeting will be held in May.*

*We have just recently produced experimental statistics on local authority exports for Scotland using our Export Statistics Scotland data, involving users in the development stage. HMRC has also announced new experimental statistics to be published at sub-Scotland level and we will help to promote the use of these with relevant users.*

- Continue to improve the timeliness of key indicators e.g. accelerate publication of GDP;

*The July GDP publication (for 2018 Q1) will be brought forward by two weeks i.e. to 20 June 2018. Subsequent publications will follow a 13 week cycle.*

- Explore with ONS, HMRC and others what is achievable, by who and at what cost, and develop a detailed plan of how gaps can be filled;

*Exploiting the Digital Economy Act will be a priority for the year ahead, and we will work closely with ONS and HMRC to ensure that we benefit fully from any relevant source of administrative data. We will do this also in collaboration with the other devolved administrations and English regions. The Devolved Economics Statistics Coordination Group (DESC) will treat this as a priority for the year ahead.*

- Explore how to address the matter of UK-wide companies not having to report specifically on their activities in Scotland;

*There is limited scope to develop this without (a) introducing new legislation and (b) imposing a considerable extra burden on businesses to provide more data. There is limited appetite currently to do this. The general spirit of the ONS transformation programme is to collect less physical data from companies but to glean more useful and relevant data from administrative and other data sources.*

*We receive Scottish-specific data from key companies in Scotland which are not collected elsewhere. We will continue to strengthen these links and widen the number of businesses with whom we engage.*

- Explore all possibilities for improving coverage and quality through data sharing agreements;

*As stated above, we shall work closely with HMRC, ONS and the other Devolved Administrations to improve data coverage and quality through data sharing arrangements. We will also consider how to achieve this in an efficient and timely manner.*

- Reflect on the lack of a single website or portal to bring the most up-to-date economic data for Scotland together in one place;

*Having economic data that is easy to access and useable is vital. The statistics.gov.scot website has over 200 datasets covering all aspects of life in Scotland, including many economic statistics. This is an excellent platform for allowing people to discover and use statistics about Scotland. However, in such a comprehensive site it can be difficult to navigate. As part of our Economic Statistics plan, we will increase the range of economic data available through this site and improve signposting.*

*This issue is also being discussed in the Sub-Scotland Economic Statistics Group. The stats.gov.uk website will be the go to source for sub-Scotland economic data.*

*We have also introduced a social media feed via twitter @ScotGovOCEA to disseminate and highlight economic data for Scotland.*

- Outline current and planned allocation of resources for data provision and statistical analysis;

*This is covered in the Scottish Economic Statistics Plans which sets out, in detail, the staff names and numbers working on each statistical topic and development; the cost of data purchased; development plans and details about on-going Special Projects. More detail will be provided in the plan for 2018/19.*

- Keep the Committee informed of the progress and work of the new Data Analytical Unit in terms of establishing the unit, budget and staffing, work planning and prioritisation etc.;

*We shall keep the Committee informed about all economic statistical developments, especially resulting from the established consultation and expert committees, but also about the development work of the new Analytical Unit. We will ensure that these networks work symbiotically to avoid confusion or duplicated effort.*

- Likewise the progress of the Centre for Regional Inclusive Growth;

*The Centre for Regional Inclusive Growth will bring together expertise on regional economics and policy to deliver demonstrable improvements in inclusive growth that benefits local communities. The centre will provide a platform to support local areas, regional partners and other stakeholders to operationalise and evaluate inclusive growth using the evidence base. This will include providing data and analytical tools to identify strategic priorities, supporting policy development and appraisal based on best practice, and measurement and evaluation. It is anticipated that the centre will launch in the first half of 2018. The Committee will be kept informed when the workplan is established.*

- Undertake a feasibility study to assess the practicalities and costs and consider the pros and cons of greater independence for the production of economic statistics in Scotland;

*See letter from Roger Halliday, Chief Statistician*

- End PRA to economic statistics which are market sensitive – including Scottish GDP, the Retail Sales Index for Scotland (RSIS), Quarterly National Accounts Scotland (QNAS) and Government Expenditure and Revenues (GERS) – and set out how it will do so;

*See letter from Roger Halliday, Chief Statistician*

- Prioritise the statistical needs of SFC (where it can collect the data and work with ONS/HMRC/others where it cannot) and set out what it will do to address any gaps;

*The Scottish Fiscal Commission is represented on SESCOG and is already treated as a key stakeholder. There is a strong working relationship between SG and the SFC. The needs of SFC will be fully considered and weighed against costs and other priorities.*

- Look into the matter of public bodies such as SFC paying for data from other public agencies and how the cost might then be shared between those bodies acquiring the data and protocols put in place for distribution;

*The Scottish Government leads by example here in making non-personal data available free of charge. This is part of its current Open Data strategy published in 2015. Arrangements for transfer of data between other organisations is a matter for them.*

*Registers of Scotland provides Sales Data to the Scottish Fiscal Commission (SFC) in accordance with an information sharing agreement which was entered into on 19 January 2018. The total cost of that service, covering data from April 2003 to Mar 2018, was just over*

£23,000. This was calculated according to RoS current tariffs for data supply which are set on a cost recovery basis, to cover resourcing required for creation and on-going development of the database and then data supply to customers in formats agreed with them.

- Examine the means by which it could embed monitoring and evaluation into bills and other policy interventions and provide the Committee with an example (or examples) of how and to what extent it has taken a statistical approach in the development of performance measures and targets pertaining to its economic policy;

*Our National Performance Framework contains indicators that are published to National and Official Statistics standards; the current review of the Indicators in the Framework has been built from conversations with over 250 experts from around Scotland and is expected to launch in June 2018.*

*Statistical evidence is frequently used in the development of performance measures and targets across Scottish Government and every effort is made to align these closely to the NPF. Some examples are given below:*

- [Life Sciences Strategy for Scotland 2025 Vision](#) (published 2017) - informed by the work we do with Scottish Enterprise to produce the [Life Sciences Cluster Statistics](#).
  - [Ambition 2030 Food and Drink Strategy](#) (published 2017) - informed by the food and drink statistics published in the our Growth Sector Statistics database:  
<http://www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors>
  - On a quarterly basis we produce a statistical overview of those businesses signed up to the [Scottish business pledge](#).
- Reflect on how its own working culture matches up to the requirement of the Bean Review for ONS to be focused on user needs;

*The Scottish Government is seen as an exemplar in how to engage with users of Official Statistics. The ScotStat network is a set of over 2,000 users of Official Statistics in Scotland. Statisticians regularly consult this network electronically and face to face. This helps decide how best to use our statistical resource to deliver high quality statistics on the issues that matter most.*

*SG, along with ONS, is already addressing many of the recommendations of the Bean Review. In particular, we are focussing on the devolution agenda improving the quality and range of sub-UK estimates. We have recently published experimental statistics for the Whole of Scotland (i.e. Scottish economic accounts including the North Sea area of Scotland) for the first time. We have discussed new Gross National Income figures for Scotland at the SESCOG meeting on 16<sup>th</sup> March.*

*The move to making better use of administrative data also addresses some of the Bean recommendations.*

- Update the Committee on the recommendation from the EJFW Committee's Gender Pay Gap report to develop a suite of indicators, particularly progress of the equality evidence base;

*The Scottish Government already publishes a suite of indicators on the gender pay gap at <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings>*

Over the last year we have been working with stakeholders to develop a Gender Index and a [working paper](#) was published in Sept 2017. A working group has been established to take forward to develop the index further.

Our '[Equalities Evidence Strategy](#)' published in July sets out a four year strategy (2017-21) describing the equality evidence gaps (including gender) we have identified with our partner organisations and academic colleagues, and detailing a strategic approach to strengthening the evidence base.

- Renew impetus in measurement of social inclusion – including consideration of new or alternative statistics;

*Measurement of social inclusion is an important part of the current review of our National Performance Framework. This is due to present a draft framework for Parliamentary scrutiny in March and publish the new Framework in June.*

*Inclusive Growth is integral to Scotland's Economic Strategy (2015) and continues to be a top priority of the Scottish Government. There is a working group with membership of the 4 Nations, BEIS, ONS, DWP and HMRC which is considering how new measures on fair work and the quality of work can be developed. These can be used in both the NPF and the Inclusive Growth monitoring framework.*

- Develop these within a statistical framework set out in a regular quarterly or biannual publication;

*Work is on-going to develop a monitoring framework for inclusive growth, which will be able to be used at the national and regional level. This will illustrate the key components of inclusive growth, including looking at economic conditions, labour market access and fair work, and opportunities spread across people, groups and Scottish regions.*

- Consider how it can champion a better awareness and understanding of economic statistics for policy makers, journalists and the public.

*Over the past year, we have reviewed the content of all our statistical publications to make them more accessible to a wider audience. We now publish infographics relating to each release and tweet them to a rapidly-growing user community. See @ScotGovOCEA. We also routinely provide briefing to journalists relating to the interpretation and use of key economic statistics.*