Economic Data Inquiry

North Ayrshire Council

Economic Statistics Consultation

The consultation questions are given below. The most relevant ones for us, as a local authority, are emboldened. Our response is focussed around our own (local government) use of statistics specifically for policy/strategy formulation and guiding/informing service delivery by Economic Growth. In particular, the utility section is the most relevant one. The case for national/UK level stats is one that can best be made by other national-remit partners and we leave that to those operating at that spatial level. Development of skills-related data has been covered by the regional skills assessment consultation co-ordinated by SLAED (our consultation response is attached as a separate document for reference). In addition, the Enterprise and Skills review phase 2 identified the need to improve the quality of skills data and evidence available for agencies and local and central government.

Accuracy

- How reliable is the economic data currently available at the Scottish level?

- What are the areas of strength and of weakness of provision within Scotland and at UK level?

- **What could be done by Scottish Government and/or others to improve the quality of data?** How would this be funded?

- Do you have any views on how data is collected, specifically the role of businesses and households in providing economic data?

Utility

- **How are economic statistics used by local, regional** and national **policy-makers to deliver and scrutinise policy?**

- **Where are the gaps in provision?**

- Can you identify examples of international good practice and case studies?

- Are there barriers preventing the Scottish or UK Governments from improving statistical provision?

Interpretation

- What are the key issues in making sense of the data?

- What are the barriers to better understanding and how might they be overcome?

Scrutiny

- What are we measuring and **what should we be measuring**?

- What data is necessary for effective parliamentary scrutiny by the Economy, Jobs and Fair Work Committee (our remit also covering energy)?

- **Are the current National Performance Framework indicators the best way of measuring innovation, internationalisation, investment and inclusive growth in the Scottish economy**?

What could be done by Scottish Government and/or others to improve the quality of data?

Generally, unemployment and claimant data are now unreliable due to the ongoing changes in welfare system administration. Is there any way to make these data more robust?

Scottish Annual Business Statistics (SABS) is a key resource for understanding the structure and performance of our local authority area, in particular looking at GVA per head. Nomis makes these data easy to source but presents the data per head of population. It is notable that areas with net outflows of commuters will be reported as having an artificially low GVA per head. Is there any way of presenting a GVA per head figure that takes commuting flows into account?

Where datasets involve surveys such as the Annual Population survey, this often leads to accuracy issues – large confidence intervals. Accepting the costs of further boosting samples is very high (and not a realistic option) would it be possible to present rolling 3-year average figures, with the associated (smaller) confidence limits. For example the employment rate for 16-24s in North Ayrshire is 54.3% +/- 9.2% at 95% confidence. This issue affects many datasets subgroups (particularly specific interest groups: youth 16-24, lone parents, women, disabled, ethnic minorities and include employment rates, economic inactivity, qualifications levels).

Poverty statistics derive from several sources and could be brought under one umbrella/banner, presented through a single portal such as Nomis. This would make for much better ease of access and usability.

An agreed definition of Inclusive Growth indicators, available at local authority level and produced annually would be of great benefit.

Greater use of administrative data and using data linkage techniques (as carried out routinely by Information Services Division, NHS National Services) would allow us greater accuracy at small area level and perhaps save money on large scale surveys. Use of HMRC VAT data could be extended to give a more detailed picture of business demography at small area over time. For example, exports data could be identified for small areas. If data for each business/measurement unit were linked each year it would be possible to present longitudinal analysis of change experienced - e.g. % of businesses whose turnover increased, rather than simply the change in total turnover for a sector.

Scottish economic data sourcing requires researchers to have detailed knowledge of a wide variety of sources. An efficient means of bringing the data together would benefit researchers and economists; for example a "Scottish NOMIS" for all Scottish statistics.

How are economic statistics used by local, regional policy-makers to deliver and scrutinise policy?

Our Inclusive Growth diagnostic/prioritisation pilot informed North Ayrshire's and the potential Ayrshire Regional Partnership's approach to delivering inclusive growth.

North Ayrshire Council's policy team provides biannual socioeconomic briefings to inform the executive leadership team and elected members on progress and to inform decision making.

Economic statistics are heavily used to gauge progress towards our strategic objectives.

Where are the gaps in provision/what should we be measuring?

In terms of national accounts it would be beneficial to have a Scottish level inflation rate, broken down for local authorities if possible plus Gross National Income (GNI) flowing into and out of Scotland's regions/local authorities. Regional economic growth/GDP, productivity/GVA and export data could be provided and would be very useful. The new Data Hub proposed by E&S Review Phase 2 may serve as a repository for regional data to track progress of Regional Partnerships and inform regional strategies.

The Index of Manufactured Exports (IME) and Export Statistics Scotland, while able to present the individual countries that are exported **to**, do not show which regions within Scotland the exports come **from**. This would allow local authorities to gauge internationalisation, and identify which industries are key to their local export ambitions. There is also poor data on imports from overseas and from the rest of the UK.

Growth sector statistics are of limited value due to some sectoral data (e.g. life sciences) being excluded for reasons of disclosiveness at local authority level. Could these be presented in interval/band form or with a broader sector definition? Any data at all would allow us a better sense of sector scale and value – otherwise some smaller LAs are disadvantaged in terms of competing for inward investment due to lack of supporting sector data.

Capital investment and R&D spend is an important feature of local economies and we have little data on this. Could Capital investment and R&D spend be apportioned to local authority areas based on workplace headcounts?

There is a lack of reliable small area income data. The local level synthetic income modelling research prepared for the Scottish Government by Heriot Watt University produced household income estimates for 2014 (for the purposes of updating the Scottish Government Housing Need and Demand Assessment (HNDA) Tool). This type of data, regularly produced, would go a long way to addressing the gap.

Are the current National Performance Framework indicators the best way of measuring innovation, internationalisation, investment and inclusive growth?

No.

Some of the indicators do not have a clear fit with any of the four national priorities (innovation, internationalisation, investment and inclusive growth) which makes it difficult to evidence their contribution.

Some policy areas encompassed within the four national priorities have too few indicators to enable effective measurement while other policy areas arguably have too many.

The indicator list is insufficient – for example unemployment and employment rates are not covered.

Appendix – North Ayrshire Council Response to SDS/SLAED consultation on Regional Skills Assessments (RSAs)

NAC have provided a response on the following questions regarding SDS RSAs:

1) What would you like to see reported as key content?
2) What is your preferred format – report or slide packs?
3) Has the use of "infographics" been helpful and should this continue?
4) Do you have a view on length of report – current format is extensive in length (122 slides)

North Ayrshire Council response

1) What would you like to see reported as key content?

The Ayrshire-level RSA is very comprehensive but, it appears, the scope of data presented at LA level is much reduced. The main priority is to have the LA-level data as extensive as the regional datasets (where possible). However, it is important to retain Ayrshire level data. This data and level of analysis is increasingly important due to the current focus on regional partnerships. This data will help inform future agency alignment with emerging regional partnerships. It also has the potential to inform emerging regional economic strategies, with the potential to develop Regional Skills Investment Plans. This is in line with the outcomes of the recent Enterprise and Skills Review Final Report which states the objective:

'To improve the quality of the data and evidence available for the agencies and local and central government as well as the Strategic Board. This should include use and sharing of administrative data.'

The report also states the following in relation to regional partnerships:

'Regional partnerships will also need good data and intelligence and we will work with others, including universities with particular strengths in regional economics, to consider how best to establish a data hub which regional partnerships may use in analysing their local circumstances, compiling their plans and managing their activities.'

There is no data NAC would want removed from the data set; more is best.

We would appreciate the inclusion of the following data:

- Equalities analyses generally. Such as employment rate/economic activity for ethnic groups, disabled and those with long-term health conditions. These should be expressed on a per capita basis to enable meaningful comparisons across LAs. If there is scope to increase the analytical focus on gender this would be desirable.
- Median Pay (weekly and per hour)
- Mean and median hours worked
- Job density
- Work destination of graduates (which Local Authorities do North Ayrshire graduates end up working in)
- Qualifications on a NVQ-based analysis

In terms of key content, our internal approach is to use the main datasets and drill down as required.

It is important to retain growth sector forecasts to inform future strategies and city/growth deals. The implications section is of high importance and should remain. It may be worth considering regional sessions following the publications of RSAs to discuss findings and actions/tie-in with existing activity.

2) What is your preferred format – report or slide packs?

Our preferred format is an extended slide pack supported by Excel master data sheets for all datasets covering all LAs not just North Ayrshire v Scotland. This will facilitate benchmarking and regional comparisons. (see also Q4 length of report)

3) Has the use of "infographics" been helpful and should this continue?

Infographics are useful in articulating they key challenges/opportunities of a region and will be useful in communicating messages around city deals and regional partnership working - the data is the central asset to NAC however, while infographics may be of most value to other stakeholders.

4) Do you have a view on length of report – current format is extensive in terms of length (circa 122 slides)?

Unavoidable to have a long report if we want to retain the depth of analyses but useful to have overview summary report/slides for development of regional strategies/policy development and communicating socioeconomic status. Expanded versions may allow for regional SIPs to be developed.

North Ayrshire Council