

Economic Data Inquiry

Ayrshire Growth Deal

The Economy, Jobs and Fair Work Committee at the Scottish Parliament are seeking responses to its call for written views on the accuracy and comprehensibility of Scottish economic statistics; and to consider what data is required for effective delivery and scrutiny of policy; and to recommend where any improvements might be made.

The Economy, Jobs and Fair Work Committee has asked that submissions address the following questions:

<u>Question</u>	<u>Response</u>
<p>How reliable is the economic data currently available at Scottish level?</p>	<p>Small sample sizes associated with some survey datasets e.g. UK Innovation Survey, Small Business Survey and Annual Population Survey often leads to issues with accuracy (large confidence intervals).</p> <p>The methodology associated with the Scottish Global Connections survey questions the reliability of Scotland's export figures. For example, the Scottish businesses taking part in the survey provide estimates rather than hard financial data and, in some cases, it can be difficult to split estimates of UK sales between Scotland, England, Wales and Northern Ireland.</p> <p>On the whole, however, Economic data at the Scottish level tends to be fairly reliable. It is when users require the information at a smaller area level, issues begin to arise. Such issues are listed below.</p> <p>The introduction of Universal Credit and phased approach across UK has meant that comparison between local authority areas and over time is unreliable.</p>
<p>What are the areas of strength and of weakness of provision within Scotland and at UK level?</p>	<p>Some economic statistics provided at Scotland and sub-regional level do not include the comparable UK level data e.g. Scottish Annual Business Survey - GVA data.</p> <p>The Scottish Annual Business Survey provides estimates of GVA for broad sectors. However, comparable UK level data from the UK Annual Business Survey is missing.</p> <p>In 2017, ONS published Local Authority area level GVA. However, this does not</p>

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	<p>include a measure of productivity, e.g. GVA per worker, GVA per hour worked. It would also be useful if this publication could include the Scotland and UK level comparable data.</p> <p>Securing / Regional Growth deals and monitoring progress over time provides the need for more economic data at regional growth boundary level.</p> <p>Locality planning and the Inclusive Growth agenda means there are increased demands for local area statistics.</p> <p>Small sample sizes associated with some survey datasets e.g. Scottish Household Survey, UK Innovation Survey, Small Business Survey, Annual Population Survey often leads to issues with accuracy at sub-regional / local level (large confidence intervals).</p>
<p>What could be done by Scottish Government and/or others to improve the quality of data? How would this be funded?</p>	<p>It is a cluttered landscape in terms of what economic data exists / does not exist at a sub-regional level. A catalogue of data with links published on the Scottish Government's Statistics web page would be a good first step and also assist in identifying the gaps.</p> <p>In addition, the range of economic data on the Open Data Platform (statistics.gov.scot) could be developed. For example, adding business births per head would be helpful and although the numerator and denominator are published elsewhere by the Office for National Statistics and National Records of Scotland respectively, this would save local authorities from performing the calculations multiple times over.</p> <p>There is a reduced analytical capacity within local authorities and it would be helpful if any prepared regional / local authority profiles / briefs could be made accessible to local policy makers via the Scottish Government Open Data Platform.</p> <p>Allow users of the Open Data Platform to create and save non-Scotland / bespoke geographies e.g. City / Regional Growth Deal areas from a standard geography such e.g. local authority area, data zones allowing available data to be aggregated.</p>

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	<p>Scottish Government purchase data from ONS which covers all Scottish councils e.g. high growth enterprises by local authority area, business births by sector by local authority area. It would assist if this information was made available to others and published on the Open Data Platform.</p> <p>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 in reliable small area income data.</p> <p>Where small sample sizes are an issue for sub-regional / local areas and industrial sectors, pooled datasets over longer time period e.g. 3 years could provide more reliable results.</p> <p>Small sample sizes used for innovation survey and small business surveys prevent innovation statistics being available at sub-regional level. Would it be possible to pull the innovation survey and small business surveys together with the aim of providing innovation statistics at sub-regional level?</p> <p>To reflect the needs of key users of Scotland and sub-Scotland economic data, regular dialogue / consultation currently takes place around work in progress and future developments with such stakeholders. This dialogue is welcomed by key users.</p>
Do you have any views on how data is collected, specifically the role of businesses and households in providing economic data?	The methodology associated with the Scottish Global Connections survey questions the reliability of Scotland's export figures. For example, the Scottish businesses taking part in the survey provide estimates rather than hard financial data and, in some cases, it can be difficult to split estimates of UK sales between Scotland, England, Wales and Northern Ireland.
How are economic statistics used by local, regional and national policy-makers to deliver and scrutinise policy?	Economic statistics split by a range of geographies and sectors allow differences between areas, growth over time and the impact of the economic downturn to be monitored. The statistics provide baseline information and are an essential component when profiling an area for policy development, service planning and delivery, resource allocation, input to economic strategy, employability and other policy documentation

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	and performance monitoring.
Where are the gaps in provision?	<p>There is a need for whole economy productivity data, innovation data, export data, income data and job vacancy data at sub-regional level.</p> <p>A range of relevant new indicators linked to Inclusive Growth are required. Such indicators could be included within the growth sector statistics database.</p>
Can you identify examples of international good practice and case studies?	NOMIS is a user friendly web site providing up to date economic data across a number of geographies and economic themes.
Are there barriers preventing the Scottish or UK Governments from improving statistical provision?	The ABS total sample size in Scotland of around 8,200 firms (boosted by 2,600 extra firms in 2015) is funded by Scottish Government. Further boosts to this survey and others would improve the quality of Scottish figures, however, accept the cost of further boosts would be significant.
What are the key issues in making sense of the data?	There is sometimes not enough information provided around methodology and meta-data.
What are the barriers to better understanding and how might they be overcome?	If methodology and all meta-data relating to data formed part of the publication this would help in making sense of the data.
What are we measuring and what should we be measuring?	n/a
What data is necessary for effective parliamentary scrutiny by the Economy, Jobs and Fair Work Committee (our remit also covering energy)?	n/a
Are the current National Performance Framework indicators the best way of measuring innovation, internationalisation, investment and inclusive growth in the Scottish economy?	n/a