

Economic Data Inquiry

Scottish Public Health Observatory

Introduction

The Scottish Public Health Observatory (ScotPHO) collaboration is co-led by ISD Scotland and NHS Health Scotland, and includes the Glasgow Centre for Population Health, National Records of Scotland and Health Protection Scotland.

ScotPHO aims to provide a clear picture of the health of the Scottish population and the factors that affect it. More information can be found at: <http://www.scotpho.org.uk/about-us/about-scotpho>.

We are responding to this consultation because income, wealth and employment, along with education, are key determinants of population health and health inequalities across the life-course.^{1,2,3,4,5} Good quality economic statistics in these areas can allow for a more accurate picture of these aspects of life in Scotland and inform decisions on public action to promote them. We are limiting our response to discussing data sources that are most relevant to population health.

Response

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

The accuracy of the data currently available at the Scotland level are fair to good. Boosting the Scottish sample of the Family Resources Survey, the Wealth and Assets Survey and Understanding Society would be helpful in making the estimates for local areas more precise. We have some concerns that any future cuts to sample sizes will reduce this precision, even at a Scottish level. Similarly, any reduction in investment that might jeopardise response rates (and thereby increase the associated biases) would be problematic.

Although this question related to Scottish-level data, consideration should also be given to the quality of local economic data, especially in light of increasing statutory duties for local institutions (for example, on Child Poverty). Data linkage between DWP, HMRC, NRS and NHS datasets facilitated by the Digital Economy Act may be one route to meet those duties.

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

Strengths

The Annual Population Survey (APS), Family Resources Survey (FRS), the Wealth and Assets Survey (WAS) and Understanding Society are essential in

providing high quality information on how economic growth is translating into inclusive growth for households and individuals in Scotland. Maintaining these will allow monitoring of household incomes, poverty, employment and economic activity in Scotland, supporting policies such as Fair Work, Inclusive Growth and reducing Child Poverty. The Wealth and Assets survey also has some useful information on financial capability (though currently at GB-level only), highlighting the lack of differences between income and socio-economic groups in organised money management and controlling spending⁶. Nomis (and ONS) continues to provide an excellent gateway for national and local labour market statistics, supplemented by DWP Stat X-plore. Improvements continue to be made in improving economic definitions within population surveys in Scotland (e.g. economic activity within the Scottish Health Survey).

Scottish Health Survey data offer the potential for more detailed analysis of health outcomes by occupation and industry of employment. Officials have supported a number of research projects on this in the past, and are currently exploring the feasibility of providing this on a more regular basis, although this would have to be done carefully (and probably combine four-years of data) to avoid disclosure issues. This data could support measurement of progress towards achieving Fair Work in Scotland.

Weaknesses

Reliance on continued UK-level support for surveys collecting key economic data. The FRS sample size was cut in 2011. The ONS has previously proposed cutting response rates and sample sizes for the Wealth and Assets Survey and for the Annual Survey for Hours and Earnings. The DWP has also previously proposed discontinuing the Income-Related Benefits Take-Up series.

The long-term decline in response rates to major population surveys remains a concern, since lower response rates will reduce the reliability and utility of these surveys (through increased survey bias).

Welfare reform and reductions in staff and capacity at the DWP and HMRC could threaten the quality and comparability over time of administrative statistics, and could undermine the quality and comparability of key economic statistics more broadly. Administrative data (especially benefits data) is used both to 'fill in the gaps' if survey data is unavailable (at local level), or is combined with FRS to model local estimates. For example, claimant count data has historically been used to model unemployment at a local level but has been made increasingly unreliable (by a variety of factors, including increased conditionality and the rollout of Universal Credit (UC)). Local estimates of poverty also rely on combining FRS data with HMRC data and may be exposed to the same risk. Future administrative changes (especially the reliance on 'real-time' reporting by SMEs and UC claimants) may exaggerate this problem. Making child benefit non-universal may also make it more difficult to monitor trends in poverty and income inequality.

Limited data on health issues within labour market surveys/household income surveys, and limited data on work/income in health/social population surveys. There is a trade-off here, and surveys have to specialise, but the interaction between income, work and health suggests improvements in the data might be helpful (though the challenges in doing so shouldn't be underestimated).

A number of authors have highlighted the greater income volatility for low-income households^{7 8}, with implications for policies around poverty and financial inclusion. However, we lack Scottish data on this aspect of household finances.

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

ScotPHO would support a shared responsibility (Scottish and UK Government and their agencies, public health institutions and academics), to explore the following:

- Continuing to standardise definitions as much as possible across population surveys and administrative datasets of measures of work (e.g. occupations, industry) and of aspects of health (illness, injury) related to work.
- Make the routine HMRC and DWP data more fully available, and linkable – this would solve lots of the issues and expense with surveys and provide a longitudinal component to the data too.
- The devolution of tax and social security powers to the Scottish Parliament gives new opportunities for data linkage. Many of the social security benefits being devolved (e.g. PIP, DLA, AA, carers allowance, Best Start) are paid to people in poor health in low-income households, and linking this to administrative health data would allow for the more effective monitoring of their health and of policies (including economic policies) designed to improve it. If built in from the start it would avoid the challenges of data linkage seen with HMRC/DWP data up to now.
- Better quality local income data would help to focus local authorities, NHS boards and others on poverty and income inequality but comparability is important. We would support measures to:
 - Continue to improve measures of household income in the Scottish Household Survey.
 - Consider adding a question on household income to the 2021 Census of Population.
- Consider what else might be done to address the long-term decline to response rates to major population surveys.
- Working with the ONS, consider asking questions on health issues related to work every quarter in the Labour Force Survey. This would allow for a more detailed understanding of risks by detailed occupation/industrial category at a UK level and improve the reliability of estimates at a Scottish level.

- Adding SIMD decile/quintile breaks to APS headline labour market statistics, either in the published SG analysis or in the underlying datasets.
- Consider boosting the Scottish sample of the Family Resources Survey, the Wealth and Assets Survey and Understanding Society.
- Recognition of the essential work done by the survey teams responsible for population surveys and analysts working with large-scale routine data (at the Scottish Government, ONS, ISD Scotland, NRS, DWP and HMRC). Consideration could be given to whether the staff and resources committed to these areas matches the demand for and value of this information.
- Consider tracking the outcomes (either the whole cohort or a representative sample) for those participating in devolved employment programmes, including health outcomes alongside employment and household incomes. This might require partnership working with the DWP/HMRC, who are likely to continue to monitor earnings changes in low-income working households as Universal Credit rolls out.
- In partnership with the DWP, consider tracking the outcomes (health, employment and household incomes) of people claiming Universal Credit in Scotland.
- Consider understanding the implications of the growth of self-employment (including fake self-employment) for public health and health inequalities.
- Consider how volatility of household incomes and labour market experiences might be better monitored. In the short to medium-term, this could be informed by work done to develop measures of persistent child poverty using *Understanding Society* or adapting questions from the US Survey of Household Economics and Decision-making for inclusion in Scottish Surveys. In the longer-term, data linkage might provide a way forward.
- Consider whether it is feasible/desirable to use the Wealth and Assets Survey to produce local estimates of financial capability and/or wealth and assets.

How would this be funded?

As noted in the introduction, income, wealth and employment, along with education, are key determinants of population health and health inequalities across the life-course. Therefore a case could be made for pooling survey resources with NHS public health teams to improve the quality of data sources above, given the importance of good information in informing decisions to improve population health. NHS public health teams could also consider support to improve statistics in relevant areas (e.g. food insecurity, food poverty, child poverty, Fair Work), testing the proposition that public action in these areas improves health. Proposals to make greater use of linked routine administrative data would be cost saving.

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

National and local measures of in-work poverty i.e. at least at local authority level and by employment sector would really helpful to give this issue a greater prominence. It would be useful to collect more detail from employers and employees about their attitudes and actual experience of health and wellbeing at work, perhaps through the Employer Perceptions Survey. This could be done through separate, already existing surveys (e.g. Employer Perceptions Survey, APS) or by committing to a study like the Workplace Employment Relations Survey (WERS) (perhaps on a more regular basis) for Scotland. It might also be useful to consider boosting the Scottish sample of the ONS vacancy survey to produce a regular measure of labour market demand in Scotland.

Utility

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

Example of how economic statistics are used (or might be used) in Scotland, relevant to public health, include:

- Monitoring and informing decision-making and planning e.g. ScotPHO profiles⁹, the Ill tool¹⁰, the Glasgow Indicators Project¹¹, monitoring of welfare reform and economic change¹²).
- Delivery of work-related health promotion/prevention services: single gateway, suicide prevention.
- The Partnership for Health and Safety in Scotland (PHASS)¹³ would value joined up data to more accurately focus attention to poor performing or emerging work sectors (creating the possibly for injury or ill health) and leading preventative action. Information could help focus attention on actions within the Scottish Plan for Action on Safety and Health (SPLASH).
- Inclusive growth (nationally and locally e.g. Glasgow and Ayrshire).
- Reducing child poverty (nationally and locally).
- Delivery of benefits and employment programmes.
- Monitoring Fair Work.

Where are the gaps in provision?

Additional measures of Fair Work in routine labour market statistics. It might be useful to consider including items to collect data on psychosocial risks (control/demand/support) at work and exposure to physical risks at work (chemical or environmental hazards, ergonomic risks) in the Annual Population Survey. Appropriate questions to use appear in the European Working Conditions Survey¹⁴, and potentially other surveys such as WERS¹⁵ and the Skills and Employment Survey (SES)¹⁶.

We would support ongoing work to improve income measures in the Scottish Household Survey. It would be useful to consider whether and how household income could be made more comparable with the FRS poverty measures, including 'after housing costs', so that the health impacts of income and other social policies could be more clearly understood. This could also support monitoring of policies e.g. on child poverty, food insecurity and fuel poverty.

The less precise measures of income in the Scottish Health Survey (SHeS) make it difficult to monitor the impact of low income, and measures of poverty comparable with official definitions, on health directly. It is challenging to address this at present: the survey's principal function is to collect a greater breadth of data on the health and/or social conditions of the population and more detail on income might mean that other questions (of equal or greater importance, such as those for mental health), might have to be sacrificed. In the future, this might be addressed by data linkage (e.g. to HMRC/DWP/Scottish Social Security Agency data or an income question in the 2021 Census). ScotPHO and the Scottish Health Survey Team will continue discussions on how to address this gap.

We do not have good data on the take up of key health-related benefits, such as Attendance Allowance, DLA/PIP and Carers Allowance. The devolution of delivery of these benefits to the Scottish Parliament (important in light of the new Scottish Social Security Agency) presents a risk in the absence of this information and an opportunity to fill this gap. The Scottish Government could consider working with the DWP to commission research in this area, building on the feasibility studies published before 2010.

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

Progress is underway on a project using individual-level linked Work and Pensions Longitudinal Study (WPLS) data with Scottish health data for descriptive and analytical epidemiology. This project has the potential to generate original insights into how health and economic factors interact in Scotland, with implications for public action on employability, health inequalities, welfare reform and inclusive growth. It is led by Dr Katikireddi at the University of Glasgow (Vittal.Katikireddi@glasgow.ac.uk), who can provide more information. Switzerland¹⁷ and Denmark¹⁸ provide some further examples of using linked economic data to inform public policy.

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

These could include: costs of funding data collection, analysis and interpretation (though data linkage represents extremely good value for money); sensitivities (from citizens, politicians and civil servants) over how the data might ultimately be used; distrust of expert or official interpretation of the data among Scottish citizens (reinforced or encouraged by some media

sources); the splitting of responsibilities under devolution for key policy areas, compounded by different political parties controlling decisions about what information gets collected and how it is used. The data linkage project above highlights that it is possible to overcome these difficulties, but it is also the case that the current process of data linkage is very slow and time-consuming. While it is crucial that there is good governance in place, it doesn't seem to be proportionate at the moment. It would be helpful for the Committee to encourage a wider discussion on these issues.

Interpretation

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

From the perspective of the economy as it affects public health:

- National and if possible sub-national data on employment (quantity and quality), income and wealth. This could include more on the multiple dimensions associated with precarious employment.
- A mixture of cross-sectional and longitudinal data.

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

We have focused on the inclusive growth indicators¹ as they seem most relevant to our remit. The concepts and indicators chosen are sensible and reasonable. It might be helpful to include measures of absolute and relative inequalities for some of these indicators since population level improvement might be accompanied by worsening or unchanged inequalities. Success would presumably mean improvement seen among all groups in society, but those who started from the worst position improving at a faster rate.

References

-
- ¹ Cooper K, Stewart K. *Does money in adulthood affect adult outcomes?* Joseph Rowntree Foundation: York; 2015;
- ² Cooper K, Stewart K. *Does Money Affect Children's Outcomes? An update.* CASE LSE: London; 2017.
- ³ McKnight A, Karagiannaki E. The Wealth Effect: How Parental Wealth and Own Asset Holdings Predict Future Advantage. In: *Wealth in the UK. Distribution, Accumulation and Policy.* Oxford: OUP; 2013. pp. 119-148
- ⁴ http://www.healthscotland.scot/media/1256/inequality-briefing-2-good-work-for-all_sept2016_english.pdf.
- ⁵ Taulbut M, McCartney G. *Health outcomes and determinants by occupation and industry in Scotland, 2008–2011.* NHS Health Scotland: Edinburgh; 2017.

¹ <http://www.gov.scot/About/Performance/scotPerforms/outcome/inequalities>

-
- ⁶ Finney A, Hayes D. *Financial capability in Great Britain: 2010 to 2012*. ONS; 2015. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/financialcapabilityingreatbritain/2015-06-24>
- ⁷ Morduch J. *The Financial Lives of Low-Income Households – Presentation to Glasgow Centre for Population Health*, June 30, 2016: http://www.gcph.co.uk/assets/0000/5629/J_Morduch_slides_300616.pdf
- ⁸ Hills J. *Good Times, Bad times: The Welfare Myth of Them and Us*. Policy Press: Bristol; 2015. p.75-110.
- ⁹ Available at: <http://www.scotpho.org.uk/comparative-health/profiles/online-profiles-tool>.
- ¹⁰ Available at: <http://www.scotpho.org.uk/comparative-health/health-inequalities-tools/informing-investment-to-reduce-health-inequalities-iii>.
- ¹¹ Available at: <http://www.understandingglasgow.com/>.
- ¹² Available at: <http://www.scotpho.org.uk/life-circumstances/income-and-employment/data/welfare-reform>.
- ¹³ PHASS is a tripartite body including Trade Unions, Health Services government, Enforcing agencies, Industry bodies and Voluntary sector.
- ¹⁴ Available at: <https://www.eurofound.europa.eu/surveys/european-working-conditions-surveys>.
- ¹⁵ Available at: <https://www.gov.uk/government/collections/workplace-employment-relations-study-wers>.
- ¹⁶ Available at: http://www.cardiff.ac.uk/research/explore/find-a-project/view/117804-skills-and-employment-survey-2012?utm_source=linkfixer&utm_medium=redirect&utm_campaign=%2Fses2012.
- ¹⁷ Arni P, Lalive R, Van Ours JC, How effective are unemployment benefit sanctions? Looking beyond unemployment exit, *Journal of Applied Econometrics*, vol. 28, pp. 1153–78, 2013.
- ¹⁸ Browning M, Heinesen E. Effect of job loss due to plant closure on mortality and hospitalization. *Journal of Health Economics* 31 (2012) 599– 616