
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Rt. Hon. Alex Salmond MSP
Scottish Parliament
EDINBURGH
EH99 1SP

27 November 2014

Dear Mr Salmond

CHANGES TO UK NATIONAL ACCOUNTS

It has been drawn to my attention that, during your final session of First Minister's Question Time, on 13 November 2014, you made the following statement:

I was surprised by the comparator between UK and Scottish growth, because Scotland had a shallower recession and a faster recovery. I found out that the figures were surprising not because Scotland has fallen behind the UK but because the UK has revised its statistics.

In his keenness and anxiety to revise the UK statistics—the Scottish ones have not yet been revised—George Osborne included the black economy, which involves a range of matters that it would not be delicate to go into in this Parliament. He also included charitable work, which, given the Tories' treatment of the third sector, I thought was a bit rich.

As a result of that, George Osborne managed to inflate the UK growth figures—and what happened? To the Government's surprise, the UK was landed with a £1.7 billion bill by the European Union—not because the economy had improved but because the Government had instructed the officials and statisticians to change the statistics.¹

I want to be quite clear that it is *not* the case that the Office for National Statistics (ONS) was instructed by the Chancellor of the Exchequer, or any other member of the UK Government, to revise the UK National Accounts. Decisions in relation to this programme of work are taken exclusively by statisticians at ONS, in line with international standards and best practice. You may recall that the UK Statistics Authority was established in 2008 by the *Statistics and Registration Service Act 2007* as an independent body that reports directly to Parliament. Under the Act, the Authority has a statutory responsibility for overseeing and governance of ONS, which is the Authority's executive office, replacing the pre-2008 arrangements where ONS was accountable to Treasury Ministers.

In September 2014, ONS published revised figures for the UK National Accounts, including Gross Domestic Product (GDP) and Balance of Payments. The publication of the revised figures was the culmination of a pre-announced programme of work to introduce a package of methodological

¹ <http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=9622&i=87419&c=1758462>

changes and improvements to the UK National Accounts. The changes were part of an international agenda and were intended to ensure that the UK National Accounts continue to provide the best possible framework for analysing the UK economy and comparing it with other countries. As part of this agenda, all European Union National Statistical Institutes, including ONS, moved to the new European System of Accounts (ESA2010).

In the months leading up to the September publication, ONS was open and transparent about the package of changes it would be making, and ONS published a series of detailed methodological articles to help explain the improvements to users. ONS also published a series of articles giving the likely impacts of the changes. These articles were drawn to the attention of a wide range of users, key stakeholders and the media.²

I am sure you will agree that the integrity and independence of official statistics are worthy of safeguarding. To suggest, as you did, that official statistics of national importance such as these are subject to inappropriate Government influence is potentially corrosive of public trust in official statistics. I would very much appreciate it if you would reconsider these comments. You may also wish to take advice on whether it is necessary to add a note of correction to the official parliamentary record.

I am copying this to the Chancellor of the Exchequer, George Osborne MP, to your successor as First Minister, Nicola Sturgeon MSP, to the Permanent Secretary to the Scottish Government, Sir Peter Housden, and to the National Statistician, John Pullinger.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Dilnot". The signature is written in a cursive style.

Sir Andrew Dilnot CBE

² The articles can be found at <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/economy/national-accounts/changes-to-national-accounts/index.html>