
Director General for Regulation

Jonathan Athow
Director General for Economic Statistics
Office for National Statistics
1 Drummond Gate
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7 June 2018

Dear Jonathan

ASSESSMENT OF THE REGIONAL GROSS VALUE ADDED (BALANCED) STATISTICS

On 17 August last year I wrote to you following Phase 1 of our assessment of ONS's Regional Gross Value Added (RGVA) Income and Production statistics. I recognised the importance of these statistics as key to insights into regional and sub-UK economic growth. I am now pleased to write regarding the second phase of the Assessment looking at the trustworthiness, quality and value of the balanced estimates. Today we are publishing the Assessment Report for the Regional GVA Balanced Estimates.

These new statistics have taken the existing respected data and developed to have even greater value. The Assessment sets out our findings reflecting the trustworthiness of the statistics, the levels of quality achieved and the value of the new insights offered. I would like to congratulate you and your team for the considerable achievement in introducing these unique new statistics. I am particularly impressed by the creation of a brand-new method using the VAT data set to advance the production measures in arriving at the balanced estimates.

We have set out two requirements before these statistics are designated as National Statistics – one relating to ONS researching the possibilities of increasing the use of actual price data more intensively as deflators and the second for ONS to develop the quality measures to provide users with better information on the strengths and limitations of the new statistics. One of the big advantages of these statistics is the publication of real-terms series with the effects of inflation stripped out. I know that ONS has been working on better deflators and our requirement seeks to advance those aims. It is inevitable that the estimates have different levels of uncertainty. A scheme of quality indicators could help users to understand the differences in the strength of the various estimates.

Reflecting the importance of National Statistics designation and to provide users with confidence in the direction of travel, I encourage you to publish a plan of proposed actions addressing the requirements arising from this Assessment.

Please feel free to discuss any aspect of this with me or my team at any time.

Your sincerely

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

Ed Humpherson
Director General for Regulation