

Public Value: Devolved Public Finance Statistics

Part 1 Transparency and Coherence

Findings from regulatory work conducted in 2018-19

NB further findings can be found at

<https://www.statisticsauthority.gov.uk/publication/public-value-of-statistics-on-public-finances-in-a-devolved-uk>

The family of statistics we looked at :

- Public Spending and Revenue statistics for the devolved countries from HM Treasury, ONS and by Scottish Government
 - Block Grant Transparency statistics from HM Treasury
 - Budget statistics for the devolved countries
- * Links to relevant statistics and budget data given in final slide

What systemic issues about devolved public finance statistics concern people?

- Transparency : Devolved budgets described by Institute for Government as too opaque. Transparency is more than making the data open-underlying realities of public finances must be visible and intelligible beyond experts
- Transparency – vital to Parliaments, Assemblies and people to hold governments to account for money they spend and services they deliver
- Coherence : Are the statistics logically connected? If I look at one set of data they appear to be very different to another set of data- can people get the picture straight?
- Provenance and allocations : Are the sources of data reliable and trustworthy? Where does the data come from? Are funds allocated fairly?

Consequences of poor transparency and coherence

Potential Harms

Potentially misleading impressions. Example : a UK National daily newspaper headline ‘Official data shows [Scotland] spent £14.8 billion more than it raised in taxes’

Lack of openness leading to mistrust. Example National Daily asking what Treasury were trying to hide in preparing to publish Whole of Government Accounts saying the preparation was conducted in excessive secrecy given the data mostly from public information in annual accounts

Accounts ignored or not used. Example PACAC says “Government Departments’ Report and Accounts are still not being read or used by MPs or citizens as much as they should be”

Democratic deficit. Open University survey says people in Wales not regularly exposed to news about Welsh Assembly spending matters as media not interested

Lack of clarity about whether there will be a Brexit dividend? Example : Welsh Auditor General says the Assembly needs greater transparency to exercise more careful scrutiny – greater transparency

Fiscal Unfairness. Are countries and regions getting a square deal? Example: Wings Over Scotland Blog ‘Look at GERS figures – we pay more than our fair share’

How we conducted our work?

- Desk research to appreciate strengths in the quantity, quality and public value of public finance statistics for devolved countries and regions.
- Engaged with 38 users of public finance information 11 from Welsh organisations, 13 from Scottish organisations and 4 from Northern Ireland organisations. Others we spoke to worked in English city-regions, ONS, HM Treasury. professional accountancy bodies, fiscal analysts, academics and research bodies

Transparency: findings

1. Transparency - data - good coverage of all the devolved countries. ONS produce useful and plentiful data on devolved public finances. Room for greater insights
2. Transparent insight challenged more than ever - finances in Scotland and Wales becoming more complex leading to the need make devolved public finance statistics more easily understood
3. Good developments to the data and statistics offering re budget data e.g. Scotland now publishing Scottish fiscal framework outturn report and Wales integrating Wellbeing & Future Generations principles in their budget
4. Speed and nature of responses differs between the devolved countries— Scotland regarded as most responsive to new fiscal framework

Transparency : Improvement areas

- Better tools to analyse data not for more data. for example, users should be able to find out from Treasury's devolved public spending statistics how much individual services in the devolved countries cost
- ONS should work with devolved countries to develop more compelling narratives from the data through designing presentation to suit the internet and deploying better platforms to present other parties' analysis using ONS data after release
- Enhanced value – poll wider range of views from analysts in new city-regions about the extent to which spending statistics for their city-regions would improve decision-making
- As OBR produces fiscal forecasts for Wales, the value of devolved public finance statistics would benefit from an annual assessment of their data needs in respect to public finances

Coherence: findings

1. Devolved countries' public finance statistics and data are logically connected and getting better at allowing users to find what they want
2. Sources are trustworthy and reliable
3. HM Treasury Block Grant Transparency data – could offer better links to explanatory documentation about sources of funding available in the devolved countries

Coherence : Improvement areas

- ONS should be more transparent about how it encourages external challenge in the coherence and transparency of their country and regional public finance statistics
- Statistics producers in devolved countries should seek to learn from a new consultation with the tax advisory community and others with an interest in tax to update their understanding of the demand for public finance data
- HM Treasury should test the strength of producing spending data so that people can use the data more intensively for economic analysis of fiscal effects
- HM Treasury should consider how to present devolved spending data in a more engaging way that supports and promotes use by all types of users and those with interests in spending at programme and service levels

How will we improve the transparency and coherence of devolved public finance statistics?

We will:

- Discuss with ONS ways of improving the transparency of the Country and Regional Public Sector Finance statistics and how they can develop the existing partner working with the devolved administrations to bring out more of the insights from these statistics
- Work with HM Treasury to develop their spending and block grant transparency statistics
- Liaise with OBR and Scottish Fiscal Commission to determine their key data needs in respect to fiscal forecasting in Wales and Scotland respectively
- Engage with key city-region analytical bodies and ONS regional analysis team on key English city-region data needs to enhance fiscal analysis
- Engage with devolved governments on presentations and coherence of budget statistics

Links to Relevant Statistics

Statistics:

ONS Country and Regional Public Sector Finances

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/articles/countryandregionalpublicsectorfinances/2016to2017>

HM Treasury Public Expenditure Statistical Analysis (PESA) : Country and Regional Analysis statistics

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759560/Country_and_Regional_Analysis_November_2018_rvsd.pdf

HM Treasury Block Grant Transparency statistics

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767101/Block_Grant_Transparency_2018_PDF_1.pdf

Scottish Government Government Expenditure and Revenue Scotland (GERS)

<https://www.gov.scot/publications/government-expenditure-revenue-scotland-2017-18/>

Budgets

Scottish Government Budget 2019-20 <https://www.gov.scot/publications/scottish-budget-2019-20/>

Welsh Government Budget 2019-20

<http://www.senedd.assembly.wales/mglIssueHistoryHome.aspx?IId=22393>

