
Ed Humpherson, Director General for Regulation

Roger Halliday
Chief Statistician & Head of Performance
Scottish Government
(By email)

30 September 2019

Dear Roger

OSR Review of the Public Value of Devolved Public Finance statistics

OSR recently concluded [a review](#) of the public value of public finance statistics for the devolved administrations (DAs) and the regions. The complexity of new fiscal frameworks and the associated need to make public finance statistics for the DAs and the regions more easily understood was one of the factors that prompted us to conduct our review. We welcomed the input your team provided to this review.

We undertook the review in two parts, the first focused on the coherence and transparency of devolved public finance statistics and the second focused on statistics on public sector investment for devolved countries. The outputs from the review are all available on our website and linked via the associated [blog](#) we published. The review also helped to augment an assessment we conducted of HM Treasury's Public Expenditure Statistical Analysis: [Country and Regional Analysis statistics](#) and the assessment report can be found at [this link](#). We trust that in enhancing the public spending statistics, HM Treasury will significantly improve the public value of these statistics which will benefit users in the devolved governments.

You will see from our findings in phase one of the review, that there was praise for the work in Scotland on making devolved public finances data more visible and easier to access. Scotland was regarded as the most responsive of the three nations to new fiscal frameworks. We recommended that devolved countries and ONS work together 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. I know that ONS has started that discussion with the DAs and others and we would be very grateful for any assistance that you and your colleagues could offer to ONS in implementing this recommendation.

Our research surfaced a recent Scottish Government [consultation](#) on a new approach to the planning, management and implementation of the fully devolved taxes in Scotland. Did the consultation provide any new insights into the data needs of those interested in devolved taxes? If Scottish Government learned from any new insights could you direct me to any summary of new data-needs and would you be comfortable if we shared these with other producers and stakeholders as part of our evaluation of the effectiveness of this review?

In phase two of the review - focused on public sector investment statistics - we found generally across the DAs different responses, some positive and some less so, to introducing better public sector investment data in the different nations. However, in Scotland, we found that there's been a long-held interest in developing such statistics which has been particularly framed recently around the [Wellbeing Economy Governments network](#) (WEGo). We commend Scottish Government on its initiative in this respect.

Overall, we took the view that within the next five years DAs should consider developing statistics and data to illuminate how government assets and liabilities have a significant impact on wellbeing.

But we also counselled that before devolved nations made such data available, they should consider how best to develop a community of interest with bodies interested in how devolved finance can sharpen people's understanding of how public assets lead to improved living standards. We would be happy to share with you more about our findings and the bodies who expressed interest in these data.

I would welcome your feedback on our review and would be really interested to hear your take on the development of such statistics in Scotland over the medium term. We would like to conduct an evaluation of the effectiveness of the review and it would be really helpful if we could hear from you by the end of October if possible.

I am copying this letter to David Bailey Head of Public Sector Division at ONS and Tom Orford, Head of Statistics Profession at HM Treasury.

Yours sincerely

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

Ed Humpherson
Director General for Regulation