

OFFICE FOR STATISTICS REGULATION REVIEW OF PRACTICES AROUND ESTIMATES FOR GDP

October 2023

Ed Humpherson
DG Regulation
Office for Statistics Regulation

Dear Mr Humpherson,

Thank you for informing the GLA about the upcoming review of revisions to UK GDP statistics through the OSR September Newsletter. The GLA welcomes this review, and your commitment to cover similar issues relating to a wider set of National Accounts measures as appropriate.

In this vein, we would like you to consider the development of regional GDP estimates. A key part of our work is to evaluate how London's economy is performing over time, and how it performs relative to the rest of the UK. Therefore, it is important to have a robust and coherent set of regional and national statistics. ONS estimates of output feed into our briefing, and our forecasts are dependent on this data.

Unfortunately, the ONS national and regional GDP statistics have not been coherent in recent times, and I would like to provide some history.

Prior to the pandemic, the ONS published its annual regional GDP statistics around a year after the period covered by the estimates. Then, there was a diversion of resources away from the team responsible for these statistics, and since then that previous timetable has not been recovered. For example, the data for 2021 was released on 25 April 2023. According to the ONS website, the publication of data for 2022 is scheduled for March 2024!

In response, the ONS developed and published quarterly country and regional GDP statistics, which were more timely. That being said, there have been a set of issues around the quality of these statistics (on which the OSR advised in January 2023)¹. There have also been a set of issues related to the coherence of these statistics and the annual regional publication, and between regional and national GDP statistics. My team had a number of meetings with the ONS to discuss these issues. In response, the ONS set out an approach that addressed them².

It would be helpful, going forward, if coherence could be maintained. The lack of coherence was stark at the time of publication of the annual regional GDP statistics for 2020. Using quarterly data, we had reached the

¹ Humpherson E (2023), [Ed Humpherson to Darren Morgan: OSR Assessment of ONS GDP, UK regions and countries statistics – Interim Findings](#), 30 January

² Barnes K (2023), [GDP, English regions and Wales revisions: February 2023](#), 6 February

view that London had been performing better than the UK during the pandemic. However, the 'new' data suggests that London's performance was in line with the rest of the UK.

It should be emphasised that GLA Economics is an authoritative source of information on London's economy, and our work is frequently cited not just by the Mayor of London and his team, but also by a broad range of think-tanks, academics, and media outlets. Due to the specialist nature and high visibility of our analysis, we needed to be explicit about the reasons for our sudden change of analytical narrative, which caused some confusion to say the least³.

It is concerning that the ONS has suspended publication of its quarterly country and regional GDP statistics. The last publication was on 18 May 2023, and covered data up to Q3 of 2022. ONS officials have stated that the review is likely to take a year, and will include the development of a broader range of data to include in these estimates. Nevertheless, more precision is needed to ascertain whether such approach would cater to our data needs. Furthermore, it would be helpful if the review of data sources for national statistics would consider synergies for regional statistics.

At present, given the lack of reliable and timely regional GDP data, we are unable to analyse trends in regional and national output over time, which not only undermines our analysis but also harms the development of evidence-based Mayoral strategies to support London's economy.

Last but not least, it is worth noting that the ONS published a sub-national data strategy back in March 2021, with the key purpose of prioritising the development of regional statistics. The announcement in the latest newsletter goes counter to the aforementioned strategy, which adds to our confusion as to the approach the ONS is adopting vis-à-vis regional statistics.

I would be very happy to meet in order to discuss these issues in more detail. Moreover, we in the GLA are always happy to coordinate with the ONS on matters relating to regional statistics. Thank you for your kind consideration, and I look forward to your response.

Best Wishes,

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³ Hope M and Farquharson J (2022), [London's Economy Today](#), 30 June