

ONS experimental statistics consultation

GLA consultation response

March 2022

Your name and email

What is your name? (Required)

Greater London Authority

When we publish your consultation response, are you happy for your personal name to be included?
(Required)

Yes, I consent to my personal name being published with my response

What is your email address?

If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.

GLAEconomics@london.gov.uk

About your response

Are you responding to this consultation in a personal or a professional capacity? (Required)

Professional

Are you responding to this consultation on behalf of an organisation or a group? (Required)

Yes, I am responding on behalf of an organisation

If you selected 'Yes', please provide the name of the organisation or group.

Greater London Authority

If you selected 'Yes', please state your title or role within the organisation or group.

Economist

If responding in a professional capacity, what sector do you work in? (Required)

Government, including local government and public bodies

Experimental Statistics

Will you use the experimental statistics?

Yes

Can you explain why/why not?

As a regional authority, the Greater London Authority as an organisation lies in between local authorities and national government. As a result, while London-wide and local authority level statistics are useful, the ability to break output into more detailed units is very valuable as a means to analysing areas smaller than ITL3 with common characteristics across London or to examine non-standard economic geographies such as the Central Activities Zone (CAZ). In order to usefully analyse the data for the purposes of London policymaking, we would welcome additional regional granularity beyond what has been available under the current approach. While data down to the ITL3 level has been useful, data for lower-level geographies would meet our needs on a more comprehensive basis.

It would be helpful if the methodology could be fleshed out a little more. GVA is allocated across the units of an enterprise. Presumably there is also a stage in the process to control the GVA estimated by this process to the published balanced GVA estimates for local authorities. The methodology behind these GVA estimates appears to be the same as for the GDP(O) regional quarterly statistics. In 2020 and later years the measures of GVA and GDP are likely to diverge because of the provision of government subsidies during the pandemic, and the recovery through higher taxes.

If answered Yes, how will you use the experimental statistics?

We would use output data for lower-level geographies for a wide range of tasks. There are already examples of work done at these levels. For instance, analysis of the CAZ is fundamental to understanding London's economic performance as reported in the Evidence Base for the Local Industrial Strategy¹. Our analysis of the retail sector across London² relied on analysis at the level of individual town centres and high streets. The GLA also engages in work in coordination with local authorities, who need to understand detailed information at a granular level. The High Streets Data Service is one example of a product operated by the GLA that is accessed and used by London borough authorities, offering insights into the COVID-19 recovery at the level of high streets and high street clusters. We would also use the custom area builder to construct analysis around specialist regions like the CAZ, 'Tech City' in East London, the Northern Isle of Dogs (NIOD) or various development regions.

Do you intend to access the Lower layer Super Output Areas dataset in the Secure Research Service?

Yes

¹ [The Evidence Base for London's Local Industrial Strategy – Final report](#), GLA (2020)

² [The retail sector in London and the impact of the coronavirus on trends](#), GLA (2021)

Please provide the reasoning behind your answer.

The LSOA output data would be valuable for a range of research and forecasting exercises, including studying the CAZ and high street characteristics, the impact of increased working from home following the COVID-19 pandemic and time series analysis for policy-relevant specialist geographies. LSOA output data may also allow us to analyse the impact of specific types of projects, policies and developments on local economies.

How useful did you find the accompanying article (linked below) explaining the methods and processes followed in producing the statistics?

[**Disaggregating annual subnational gross value added \(GVA\) to lower levels of geography, 1998 to 2019**](#)

Fairly Useful

Please provide the reasoning behind your answer.

The explanation of how the ONS derived the new data is clear, as are the reasons given for keeping some data contained within the Secure Research Service. The presentation of data around specific custom areas offered a good demonstration of the potential for this new data. As a London-based area, the Old Oak and Park Royal Development Corporation region served as a particularly useful example. The article does leave some detailed elements of the methodology unexamined (see above) and does not offer much guidance on future development or publication plans – perhaps some annexes would have been useful on these topics.

Do you have any suggestions about what we can do to improve the methods and procedures for producing the statistics?

If PAYE data paired with sites of employment could be incorporated into the methodology, this might allow two key improvements. Firstly, the rapid reporting of PAYE data and the quarterly VAT return cycle might allow the ONS to construct a much more timely, quarterly frequency output series even at these very granular levels of geography. For the GLA, a shorter lag time between the date of activity and the date of data release would be a key priority for improvements in this series. Secondly, wage data for employees could then factor into the calculations for allocating business turnover to sites. This means that the assumption of equally productive workers could be replaced with some productivity adjustment based on the share of the wage bill paid at each site. While PAYE data is not exhaustive for the labour market, self-employed individuals and contractors may be less likely to operate with differential productivity across different sites.

Was anything missing from this article that would be beneficial to see in the future?

An indication of future development work on these statistics, including whether real-terms data is likely to be available, whether ONS will produce this data regularly going forward and whether industry detail, alongside geographical detail, is likely to be available.

What is your overall view of the experimental statistics?

Good

Please provide the reasoning behind your answer.

The proposed approach appears to be a positive step overall, but we would welcome more clarity on priorities and trade-offs. Maintaining consistent historical time series with good data for the pandemic and running back to before 2000 is our priority. Development towards more timely updates would be very welcome. We would not welcome the development of this series coming at the expense of returning the main annual regional GDP release to its previous publication schedule, or better. The fact that this series does not offer any industry breakdown is also a serious limitation, as industry clustering and its effects on productivity is a central part of our analysis of local area economies.

Middle layer Super Output Area (MSOA) level

In the future we may undertake four-way industry breakdowns illustrated in the table below at MSOA level.

Would you find these breakdowns useful?

Yes

Please explain how and why industry breakdowns are valuable / not valuable to your work.

Clustering of industries in locations is a central focus of city economics and a central component of London's global competitiveness and productivity. As a result, having an industry breakdown of output below the local authority level would be extremely welcome.

Are there any other industry breakdowns that you require for your work? Please provide as much detail possible.

Grouping professional services with public services and other rather than with technology, financial and real estate services is counter-intuitive. Since these industries are all key specialisations in London, grouping them together for analysis would be useful. The current proposed grouping would also make it hard to pick out the role of the public sector, as professional services output is likely to be large in some areas.

Please rank the following five future plans in order of importance.

Please use the information outlined in the following article, [Disaggregating annual subnational gross value added \(GVA\) to lower levels of geography, 1998 to 2019](#), to answer this question.

'1' is not important at all, and '6' is very important.

Disaggregating gross domestic household income to lower levels of geography

3

Disaggregating household final consumption expenditure to lower levels of geography

4

Producing constant price estimates of gross value-added (real GVA).

5

Producing annual GVA estimates at lower-levels of geography every year

6

Developing a new “Explore Subnational Statistics” service that provides a one-stop shop for subnational data and statistics

6

Tell us any other subnational data requirements that you want us to know and/or pursue.

...and Finally

Do you have any other comments about this consultation [or survey]?

No

How did you, or the organisation or group that you are responding on behalf of, hear about this consultation?

ONS website or blog

ONS email or newsletter

ONS event

Other

If other, please specify.

Personal contact from the data owner during the course of regular liaison between the GLA and the ONS.