Improving the coherence of GSS Income and Earnings Statistics

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- What is statistical coherence and why is it challenging for income and earnings statistics?

- Bring users up to speed on work to date:
  - Vision statement and associated blog
  - Work plan and its five keys areas
  - OSR review of income-based poverty statistics

- Next steps

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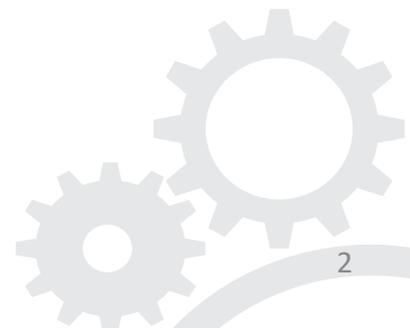
What is statistical coherence?

"Statistical coherence is about drawing together outputs on the same topic to better explain the part of the world they describe. This can be across the four countries of the UK where policy making has been devolved (such as housing) or where multiple producers are publishing statistics on the same topic (such as income and earnings)"

- Working with producers of official statistics across the UK, we have recently produced a [work programme](#) which summarises the work underway on several statistical topics

Household income

Earnings (wages)

Benefits

Investment income

Self-employed Income

Private pensions

State pensions
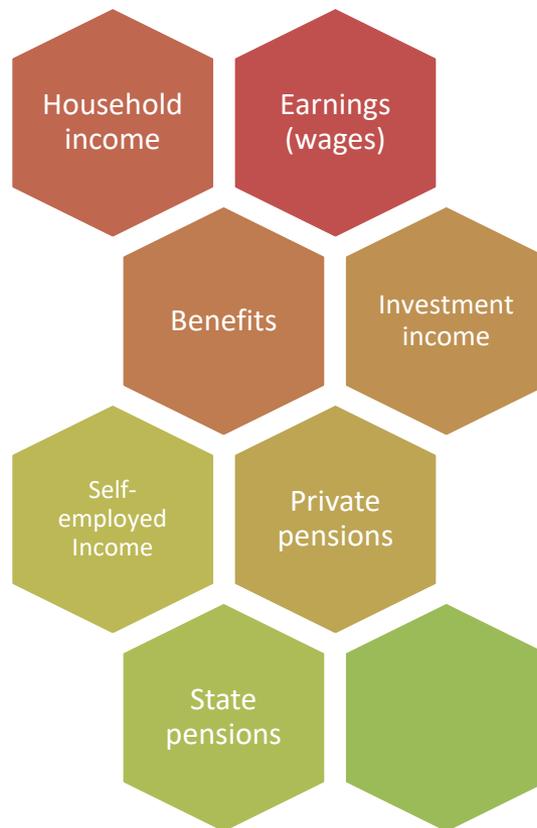
Achieving coherence for income and earnings statistics is challenging!

Stages of Earnings and Income

LABOUR COSTS
Add non-wage costs e.g. employer NIC's, Pension Contributions

TAKE-HOME PAY¹
Deduct e.g. income tax and employee NIC's

GROSS EARNINGS

Other Income
e.g. from: investment, self-employment, private pensions

ORIGINAL INCOME

Benefits
Cash Benefits
e.g. state retirement pension, Universal Credit

GROSS INCOME

Taxes
Direct Taxes
incl. Employees' NIC, local taxes such as council tax, income tax

DISPOSABLE or NET INCOME

Indirect Taxes
e.g. VAT, duties on: fuel, alcohol etc

POST-TAX INCOME

Benefits in Kind
provided by the state e.g. education, health

FINAL INCOME

¹ Note that definitions of take-home pay often differ between sources

Office for National Statistics

Department for Work & Pensions

HM Revenue & Customs

employee employer

Admin data

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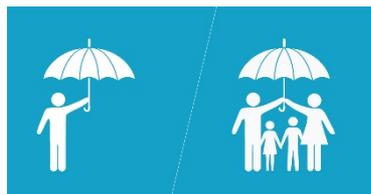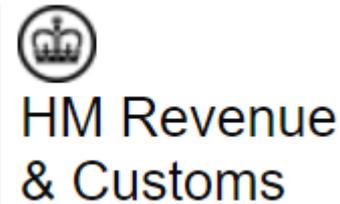
Aims of the coherence work

- Facilitate strategic coordination and collaboration
- Think of the big picture / 'think GSS'
- Help join people / things together
- Tailor support to the topic
- Be a positive influence!
- We are not the output managers

Work to date

- Set up an income and earnings steering group:
  - Bringing together senior leaders from DWP, HMRC and ONS
  - Representatives from academia and the Devolved Administrations have recently joined
  - Setting out a strategic direction for the coherence of income and earnings statistics

- Published a vision statement & an associated blog

- Currently producing a GSS income and earnings coherence work plan

- Engaging with OSR to demonstrate progress since the 2015 Income and Earnings review

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Vision for coherence of income and earnings statistics

It is our mission to provide high quality statistics, data and insights on income and earnings in the UK.

We will use a range of new and existing data sources to meet the needs of our users. This is increasingly important in a rapidly changing political and societal context, where we know our users need better evidence to support decision-making at both national and local levels.

To support this mission, we have created a vision based around the four core principles of the Government Statistical Service (GSS) Strategy; Statistics for the public good.

+ **Radical**

+ **Ambitious**

+ **Inclusive**

+ **Sustainable**

— **Radical**

— **Ambitious**

— **Inclusive**

— **Sustainable**

We will be user driven.

Users, stakeholders and policy makers underpin this vision. We will actively engage with users through participation in regular formal and informal engagements and actively seek user views through existing feedback mechanisms and informal user engagement surveys. We will look to widen our user base and improve our understanding of how our statistics are being used across policy and service provision. We will improve the relevance and impact of our statistics.

We will work collaboratively across the GSS.

A GSS Income and Earnings Coherence Steering Group will set the strategic direction and provide the leadership needed to improve the coherence of official income and earning statistics, including agreeing high level priorities and any resources needed for increased collaboration.

A transparent approach will ensure that users are kept up to date with improvements and developments.

We will create a GSS Income and Earnings Coherence Work Plan setting out how we are working together to make improvements and how we will achieve this vision.

We will continue to update and develop our work plan to meet user needs as they change and evolve.

To help understand the impact of the coronavirus (COVID-19) pandemic we have already developed more timely and relevant income and earnings data. We will regularly update our work plan to ensure that our work continues to meet our users' needs.

GSS Income and Earnings Coherence Work Plan
Five Key Areas:

Coherence of narrative

We will ensure that our publications provide a coherent description of the income and earnings landscape.

Coherence of sources

We will ensure that our data sources are coherent.

An 'admin data first' approach will improve coherence.

User engagement

We will be user driven and will actively engage with users of our statistics and seek views.

A transparent approach will ensure that users are kept up to date.

Accessibility

We will ensure that our statistics are accessible to all users from a single point of access.

Quality

We will improve the granularity, completeness and timeliness of our statistics.

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OSR's Review of Income-Based Poverty Statistics

- On 19 May OSR published its [review of income-based poverty statistics](#)
  - Contains 3 strategic improvements and 16 recommendations for the producers of income-based poverty statistics

- Government departments are working collectively to address the recommendations in this report

- The wider GSS income and earnings workplan we are currently developing is being reviewed to ensure recommendations from the report are included

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Next steps

- Publish the work plan

- Explore developing a GSS interactive tool for users
  - Access full range of GSS income and earnings statistics
  - Describe the statistical landscape
  - Provide guidance on most appropriate statistic for their needs

- Engage users
  - Welcome user comment and feedback on our vision
  - We want to hear from users with specific accessibility and coherency issues

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Contact details

- For more information contact the GSS Income and Earnings Coherence team:

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