

# Public Value: Devolved Public Finance Statistics –

## Part 2: Publishing Investment Statements for Devolved Nations

Findings from regulatory work conducted in 2018-19

NB further findings from this review can be found at

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



# Is the time ripe for more transparent devolved investment data?

- Expenditure and Revenue data has been available for devolved countries for some years
- While valuable, expenditure and revenue data without corresponding investment data risks presenting a partial picture regarding the financial health of the devolved nations
- The UK is regarded as a leader in presenting comprehensive financial data using international financial standards (Whole of Government Accounts) but they are not widely used
- Interesting initiatives in some of the devolved nations e.g. wellbeing and future generations (Wales) and inclusive growth (Scotland). At UK level HMT created new Balance Sheet Analysis Unit
- Is the time ripe for being more transparent about the investments of the devolved nations and the state of their key public assets?



# What are the investment data and how could better data be used ?

- the data is about investments made by devolved government on behalf of their citizens in things like schools, hospitals, financial assets and commercial enterprises
- They describe and state the value of the each countries' portfolio of significant assets and liabilities, how this changes, and how it is expected to change in future
- They would be expected to present a fuller picture of the sustainability of government finances and take an intergenerational view
- Questions the statistics might address include:
  - How strong and resilient is the balance sheet?
  - How can we get better at investing for wellbeing?
  - how can the country's assets lead to improved living standards



## How much interest did we find in institutions in these data in the devolved nations?

We found a mixed response to introducing better data in the different countries.

- In Scotland there's been interest in developing such statistics for some time
  - New Scottish Government statistics
  - Audit Scotland -Developing financial reporting in Scotland
- Similarly in Wales there is interest in developing such statistics
  - CIPFA – a balance sheet for the Wales Public sector
  - The outgoing Wales Auditor General in 2018
  - A Picture of Public Services
  - Lack of political interest among ministers?
- No indication that such statistics are sought in Northern Ireland
- Other promoters of transparent investment data are the accountancy bodies – CIPFA, ICAEW, ICAS



## Do the data exist and how transparent are the insights from the data?

- Balance sheet data is available for the devolved countries
- Conventional wisdom ‘Nobody reads this stuff, its complex and there’s a lack of media interest’
- The Audit Offices in Wales and Scotland meet some gaps in the data

# Summary

- while investment data for the devolved countries exists, simply putting that data into the public domain without careful presentation and comment would risk misinterpretation and / or apathy
- Devolved countries should consider what making plans to make balance sheet data available within the next 5 years
- Before making data available devolved countries should consider how best to develop an investment data evidence eco-system adopting a partnership approach with bodies interested in devolved finance

## Our next steps – advocating for change

- We will advocate that devolved countries consider the value of making better investment data available to decision-makers
- We will use our powers of convening to bring together interested parties to consider the prospects for creating data eco systems in those devolved countries with interested parties
- We will continue to monitor developments in this space in leading jurisdictions such as New Zealand to pass on any learning

