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**Chair of the UK Statistics Authority, Sir David Norgrove**

Derek Mackay MSP  
Cabinet Secretary for Finance, Economy and Fair Work  
The Scottish Government  
(via email)

13 August 2019

Dear Finance Secretary,

The Scottish Government recently asked the UK Statistics Authority to consider a tweet and press article by the then Chief Secretary to the Treasury on the subject of income tax reconciliations for Scotland,<sup>1</sup> in which Ms Truss described a “£941m shortfall in Scottish tax revenues due to lower growth in Scotland.” You argued that this was inaccurate.<sup>2</sup>

The Authority has examined Ms Truss’s article and the HM Treasury press statement on which it relied.<sup>3</sup> The statements in the press release, subsequently repeated by the Chief Secretary, clearly link the whole of the reconciliation in tax receipts and block grant adjustment to slower than expected economic growth in Scotland. We agree with you that this is incorrect. The principal reasons for the block grant adjustment were in fact an initial overestimate of the Scottish tax base and faster growth of tax receipts than expected in the rest of the UK.

The Authority’s Deputy Director for Regulation has today written to the Treasury’s Head of Profession for Statistics. I enclose a copy of her letter, in which she urges the need to improve the presentation of the Scottish fiscal framework in line with our Code of Practice for Statistics.

I am copying this letter to the former Chief Secretary and to the Heads of Profession for Statistics at the Treasury and at HM Revenue and Customs.

Yours sincerely,



**Sir David Norgrove**

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<sup>1</sup> <https://twitter.com/trussliz/status/1152111958428200960/photo/1>

<sup>2</sup> <https://twitter.com/DerekMackaySNP/status/1152180904250490880>

<sup>3</sup> <https://www.gov.uk/government/news/scottish-income-tax-shortfall-offset-by-uk-funding>