

Revenue Scotland

## Data Analysis Strategy

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## 1. Introduction

Revenue Scotland is committed to building an effective, efficient tax authority with a reputation for delivering a high-quality service to taxpayers and the people of Scotland.

Effective analysis, use and provision of data is a key element of delivering this vision, and this document sets out our Data Analysis Strategy which supports delivery of the Revenue Scotland Corporate Plan 2015-2018. The Data Analysis Strategy is underpinned annually by a team plan, the key deliverables of which are reflected in the annual business plan.

Data collection and analysis by Revenue Scotland relate directly to its operation as a tax authority, and collection methods aim to allow subsequent analysis to be carried out efficiently.

## 2. Scope of Data Analysis Strategy

### 2.1 The Objective

Provide a cost effective and high quality data provision and analysis service to internal and external customers, making best use of Revenue Scotland's resources and data.

### 2.2 Principles

High level principles that underpin the strategy:

- Taxpayer Confidentiality
- Adam Smith Principles
- Code of Practice for Official Statistics
- Open Government
- Value for Money

### 2.3 Building expertise

Provision of the analysis service requires the appropriate:

- Analytical (and wider) skills; and
- Staffing level.

The head of the Statistics and Management Information branch is responsible for determining the skill sets required for posts within the branch and agreeing this, and the appropriate staffing level, with the Senior Leadership Team.

For statistical staff, Revenue Scotland is expected to continue to take part in recruitment and managed move exercises co-ordinated by the Scottish Government's Chief Statistician. Staff also have the benefit of developing analytical skills through the training available as part of the Scottish Government Statistician Group.

## 2.4 DATA ASSETS

Analysis may be performed on a number of different datasets. The key datasets are listed below, split into those where Revenue Scotland is the data owner (internal) and those where another organisation is the data owner (external).

### 2.4.1 Internal data sources

- Scottish Electronic Tax System (SETS)
- SETS Management Information Database
- Rostrvm call handling system
- Internal manual records (e.g. email trackers)

### 2.4.2 External data sources

The following external data sources provide information relevant to Revenue Scotland's operations:

- Scottish Government Accounting System – SEAS (administered by Scottish Government but relevant data can be accessed by Revenue Scotland)
- Registers of Scotland administrative data
- SEPA waste data
- HMRC data: Landfill Tax; and Stamp Duty Land Tax

External datasets are often linked or compared by Revenue Scotland to internal datasets, and are used for various purposes including reconciliation of accounts and other financial reports; compliance checks and statistical quality assurance.

### 2.4.3 Storage of analysis results

The results of analysis (e.g. data extracted from the SETS MI database) are stored in the following secure areas:

- eRDM (electronic Record and Document Management system);
- Revenue Scotland area of the SAS server; or
- Revenue Scotland section of datashare (s0429a) area.

#### 2.4.4 Metadata

Clear descriptions of the contents of datasets (e.g. SETS Data Dictionary) should be maintained to aid efficient analysis and minimise the risk of misunderstandings, and hence errors.

## 2.5 ANALYTICAL SOFTWARE TOOLS

Analytical staff should have access to appropriate software to allow efficient interrogation of databases, and subsequent analysis. Currently the software tools identified are:

- Oracle Discoverer
- SAS
- Excel

In addition to those listed above, other tools should be considered/evaluated where they might provide benefits – for example, the Scottish Government’s planned replacement for Oracle Discoverer.

Where appropriate, access to these tools, and training, should be provided to other Revenue Scotland members of staff – for example, to allow operations colleagues to run daily reports.

## 2.6 ENGAGEMENT WITH DATA USERS TO UNDERSTAND REQUIREMENTS

To provide a cost effective and high quality data provision and analysis service, it is essential to understand the requirements of data customers, and gain an understanding of why they need the data / analysis that they have requested. Although not exhaustive, the following methods of engagement are used by Revenue Scotland analysts.

### 2.6.1 Internal data users

- Direct requests;
- Monthly data meetings with Finance colleagues;
- Monthly data meetings with Tax colleagues;
- Participation in Project Teams to gather requirements.

### 2.6.2 External data users

- Direct requests;
- Scottish Economic Statistics Consultation Group (SESCG) meetings and wider use of the ScotStat network;
- Statistics User Events (e.g. Revenue Scotland Statistics User Day);
- Scottish Government - meetings and other communication (Memorandum of Understanding to be developed);
- Scottish Fiscal Commission - meetings and other communication (based on agreed Memorandum of Understanding);
- Office for Budget Responsibility (OBR) – meetings / correspondence.

### 2.6.3 Managing stakeholder expectations

Given the resources available, it will not be possible to meet all the data needs of our customers, but we aim to work with them to agree prioritisation. In order to manage expectations, clear communication and dialogue with stakeholders is required:

- to understand the purpose, and importance to stakeholders, of specific data requests;
- to communicate the constraints that may affect Revenue Scotland's ability to deliver all their data needs, and reach agreement on the data that Revenue Scotland can reasonably provide;
- to explain any decisions relating to Freedom of Information requests.

## 2.7 PRIORITISATION OF DATA REQUESTS

Since Revenue Scotland started collecting tax in April 2015, the demand for data relating to the devolved taxes has grown. Hence, we are developing procedures for managing requests for data, and guidelines for assessing competing priorities (both internal and external).

Currently we prioritise:

- Internal data requests where there is a clear operational need;
- External data requests where there is a statutory right of access to relevant information (e.g. Scottish Government, Scottish Fiscal Commission, Office for Budget Responsibility).

Where there is clear and regular demand for specific data, we look to add this to existing statistical publications to make it available to all users. For example,

Revenue Scotland expanded its Land and Buildings Transaction Tax publication to include data by tax band in response to demand from data customers.

## 2.8 PUBLICATIONS

### 2.8.1 Routine statistics

Revenue Scotland currently publishes:

- monthly statistics on Land and Building Transaction Tax (LBTT); and
- quarterly statistics on Scottish Landfill Tax (SLfT).

These statistical outputs are produced and published in line with the Code of Practice for Official Statistics and using clearly documented definitions and procedures.

### 2.8.2 Key Performance Indicators

Key Performance Indicators (KPIs), and their frequency, are defined in the Revenue Scotland Corporate Plan. All KPIs are included in the Revenue Scotland Annual Report and Accounts, and quarterly KPIs are also published on the Revenue Scotland website.

### 2.8.3 Datasets

There is considerable external interest in accessing detailed data held by Revenue Scotland. Any access to (or publication of) datasets has to be clearly evaluated by Revenue Scotland taking into account a number of factors, including:

- protection of taxpayer information;
- Revenue Scotland resources required; and
- benefit to external users.

Within the limits of maintaining tax payer confidentiality, and the resources available to the organisation, Revenue Scotland will aim to make its data freely available to external users in support of the principles of open government. For example, all statistical publications are provided in Excel format, with the option to request the data in .csv format.

### 2.8.4 Responses to external data requests

Where an external data request has been met (subject to the condition that taxpayer information remains protected), and there may be wider interest in these data, the data will be made available on the Revenue Scotland website.

### 2.8.5 Statistical Disclosure Control

To protect taxpayer information, Disclosure Control checks are carried out on published statistics, and data requests for external customers. Appropriate Disclosure Control

methods are then applied. For example, Revenue Scotland data are published at aggregate level, and these aggregated data are rounded (e.g. to the nearest 10 transactions and nearest £100,000 of tax).

## 2.9 CONTINUOUS IMPROVEMENT

As part of continuous improvement, Revenue Scotland aims to:

- Improve data quality (e.g. Quality Assurance procedures; introduction of appropriate data input controls, etc.);
- Make statistical and management information procedures more efficient (e.g. through automation of reports and publication tables);
- Improve the usefulness to stakeholders of our statistics and analysis – for example by publishing additional information (based on feedback from data customers) and improving the presentation of statistics.

In due course, we intend to establish an annual plan of proposed improvements based on feedback from our data customers (within existing resource constraints).

## 3. Professional statistics

### 3.1 Official Statistics

The UK Code of Practice for Official Statistics was published in January 2009 by the UK Statistics Authority, as required by the Statistics and Registration Service Act 2007. The Code of Practice sets out common standards that should be followed by all UK organisations that produce Official Statistics and covers:

- Principle 1: Meeting user needs
- Principle 2: Impartiality and objectivity
- Principle 3: Integrity
- Principle 4: Sound methods and assured quality
- Principle 5: Confidentiality
- Principle 6: Proportionate burden
- Principle 7: Resources
- Principle 8: Frankness and accessibility
- Protocol 1: User engagement
- Protocol 2: Release practices
- Protocol 3: The use of administrative sources for statistical purposes



As part of the Scottish Administration, Revenue Scotland publishes statistics as “Official Statistics”, and follows the Principles and Protocols set out in the Code of Practice for Official Statistics.

In future, Revenue Scotland may seek to have specific statistical products assessed by the UK Statistics Authority for “National Statistics” designation.

Relevant Eurostat requirements are expected to be met at the UK level by the Office for National Statistics. Where applicable, Revenue Scotland will work with the Office for National Statistics to ensure relevant Eurostat requirements are met.

### **3.2 Engagement with UK Statistics Authority and Chief Statistician**

For Non-Ministerial Departments and Arm’s-Length Bodies with small numbers of statistical staff, engagement with the UK statistical system is typically via the Government Statistical Service (GSS) Head of Profession of an appropriate department.

For Revenue Scotland the statistical “Lead Official” is the head of the Statistics and Management Information branch at Revenue Scotland, and the role of “Head of Profession” is fulfilled by the Chief Statistician for Scotland.

The Lead Official is responsible for the production of statistical outputs (and compliance with the Code of Practice for Official Statistics and statistical legislation) in Revenue Scotland.

The Head of Profession is responsible for: providing professional guidance and support, where required, on all Official Statistics matters; and acting as the focal point for communication between the National Statistician, the UK Statistics Authority, the Government Statistical Service and Revenue Scotland.

## **4. Out of Scope - Data Security / Records Management**

Data security and Records Management has not been included in the scope of the Data Analysis Strategy.