



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Sir Michael Scholar KCB
Chair of the UK Statistics Authority
UK Statistics Authority
1 Drummond Gate
London
SW1A 2HQ

14 December 2011

Dear Sir Michael

**STATISTICS AND REGISTRATION SERVICE ACT 2007:
NOTIFICATION IN RELATION TO PROJECTIONS OF INCOME TAX
DISTRIBUTIONS IN *INCOME TAX LIABILITIES STATISTICS*
PRODUCED BY HM REVENUE AND CUSTOMS**

Thank you for your letter of 3 November.

I was pleased to note the findings of your recent assessment report on income tax liabilities statistics (ITLS). HM Revenue and Customs welcomes the report, and will take forward the required enhancements in relation to the statistics, reporting them to the Authority by February 2012.

In response to the above notification under section 16 of the Statistics and Registration Service Act 2007, I can confirm that I shall be requesting an assessment for HMRC's projections of income tax liabilities distributions published up to and including the current tax year.



At the same time, I would note that projections or forecasts more generally are likely to involve a significant degree of compiler judgement as well as choices over assumptions, estimates of determinants and other aspects of projection methods that make them qualitatively distinct from statistics based on collected outturn data. This distinction I believe would generally place projections and forecasts outside the scope of Official Statistics, and explains the current non designation of the ITLS projections themselves.

My intention to request an assessment for these specific projections therefore primarily reflects their long and exceptional history of publication alongside the outturn statistics based on survey data, in a format that means they are likely to be seen and used as if statistics. Like you, I see some clear benefits from their assessment as National Statistics in those specific circumstances.

Your recent assessment report includes a number of helpful comments in relation to the projections. HMRC's Statistics Head of Profession advises that I should request an assessment in May 2012, in order that these points may be properly reflected in a future publication of the income tax liabilities statistics in advance.

A copy of my statement will be laid before Parliament as required.

Yours


David Gauke MP