
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Dominic Cummings
Vote Leave
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Dear Mr Cummings,

UK CONTRIBUTIONS TO THE EUROPEAN UNION (EU)

Thank you for your letter of 21 April following my correspondence with the Rt. Hon Norman Lamb MP regarding recent statements used in campaign literature by Vote Leave¹.

As you will recall, I was asked by Mr Lamb to consider statements used in campaign literature by Vote Leave. Mr Lamb drew particular attention to a poster which said "Let's give our NHS the £350 million the EU takes every week"². The £350 million figure that has been used by the Vote Leave campaign appears to relate to the UK's gross contributions to the EU, before the application of the UK's rebate.

As I said in my reply to Mr Lamb, when considering the UK's financial contributions to the EU, a range of concepts are important to note. First, the UK's gross contributions to the EU; second, gross contributions *after* the rebate; and third, gross contributions after the rebate and payments received by the UK public sector from the EU. These combined provide the method for calculating the net contribution after allowing for EU payments to the UK public sector. A fourth concept would not just take account of payments from the EU to the UK public sector, but also take into account EU payments made directly to UK non-public sector bodies. As set out in the note attached to my letter to Mr Lamb, the gross contribution to the EU in 2014 was £19.1 billion³. After the rebate, the contribution was £14.7 billion⁴ and the net contribution by the UK public sector was £9.9 billion⁵. Taking an estimate of receipts to non-public sector bodies into account produces an estimated average of £7.1 billion⁶ for the period 2010-2014.

It has been brought to my attention that Vote Leave has subsequently published a video on

¹ <https://www.statisticsauthority.gov.uk/correspondence/eu-contributions/>

² http://www.voteleavetakecontrol.org/campaign_resources

³ ONS Pink Book 2015 Table 9.9

http://www.ons.gov.uk/file?uri=/economy/nationalaccounts/balanceofpayments/compendium/unitedkingdombalanceofpaymentsthepinkbook/2015-10-30/unitedkingdombalanceofpaymentsthepinkbook/pinkbook2015chapter9_tcm77-422053.xls

⁴ See footnote 2.

⁵ See footnote 2.

⁶ Data available in Annex B of "HM Treasury analysis: the long-term economic impact of EU membership and the alternatives"

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517155/treasury_analysis_economic_impact_of_eu_membership_web.pdf

6 May entitled “How would you spend £350 million?”⁷. This video uses the £350 million figure with the question “Could that money be better spent?”. I restate my conclusion of 21 April that there is a lack of clarity in the way the official statistics have been drawn on in the statements I have considered. In particular, I note the use of the £350 million figure, which appears to be a gross figure which does not take into account the rebate, or other flows from the EU to the UK public sector (or flows to non-public sector bodies), alongside the suggestion that this could be spent elsewhere.

Without further explanation I consider these statements to be potentially misleading and it is disappointing that this figure has been used without such explanation. Given the high level of public interest in this debate it is important that official statistics are used accurately, with important limitations or caveats clearly explained.

In your letter to me, you suggest the use of figures from table 9.1 of the Pink Book as a measure of the transfer of resources between the UK and the EU. As set out in my letter of 24 March to Bernard Jenkin MP⁸, the data in table 9.9 is the Office for National Statistics’s best view of the UK’s official payments to and receipts from the EU. There are two principal difficulties with using tables 9.1 and 9.2 in the way you suggest. First, tables 9.1 and 9.2 only include ‘current’ transactions, and therefore exclude ‘capital’ transactions⁹. Second, ONS does not have data on individual payments between the UK and all the countries or institutions listed. Therefore it has to model the pattern of payments between countries and institutions meaning these estimates are less precise than those in table 9.9 of the Pink Book, again as I set out in my letter to Mr Jenkin on 24 March.

With regard to other private contributions to the EU budget, fines constitute a small component of EU funding which it is not possible to allocate to individual EU countries. In 2012, 2013 and 2014 estimates of the fines published by the European Union¹⁰ amount to 2.4 per cent, 1.8 per cent and 2.9 per cent of the EU Budget¹¹ respectively.

Yours sincerely,



Sir Andrew Dilnot CBE

⁷ https://www.youtube.com/watch?v=yD1VRms5Q_c

⁸ <https://www.statisticsauthority.gov.uk/wp-content/uploads/2016/04/Letter-from-Sir-Andrew-Dilnot-to-Bernard-Jenkin-MP-240316.pdf>

⁹ Which averaged £1 billion per annum over the years 2012 to 2014.

¹⁰ <http://eur-lex.europa.eu/budget/www/index-en.htm>

¹¹ 2012 figures sourced from <http://eur-lex.europa.eu/budget/data/LBL/2014/en/GenRev.pdf>

2013 figures sourced from <http://eur-lex.europa.eu/budget/data/DB2/2015/en/GenRev.pdf>

2014 figures sourced from http://eur-lex.europa.eu/budget/data/LBL/2016/en/Gen_Rev.pdf