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**Ed Humpherson, Director General for Regulation**

Michael O'Connor  
(by email)

20 July 2016

Dear Mr O'Connor,

### **HMRC STATISTICS ON MIGRANTS AND TAX CREDITS**

Thank you for your letter of 27 May 2016 regarding two ad hoc HMRC publications relating to the receipt of tax credits by migrants from EEA countries.<sup>1</sup> You asked whether HMRC's statistics on benefits claimed and taxes paid by non-UK EEA nationals have been released in a haphazard way and whether they paint only a partial picture of an important topic.

I would like to begin by setting out the background to the Authority's public statements on this analysis, as well as related analysis on benefits paid to EEA nationals undertaken by DWP and migration statistics more broadly:

- In November 2015 the Chair of the Authority wrote to Will Moy of Full Fact<sup>2</sup> about the release of an analysis on benefits paid to EEA nationals<sup>3</sup>.
- In December 2015 the Chair of the Authority wrote to Will Moy<sup>4</sup> about UK Total net migration statistics, concluding "Given the forthcoming EU referendum and current high levels of public interest in immigration, it is particularly important that net migration statistics are used accurately and described precisely in public debate."
- On 8<sup>th</sup> February 2016 the Chair of the Authority wrote to Will Moy<sup>5</sup> about statistics on National Insurance numbers issued to recent migrants, expressing disappointment at delays in the release of data, which is not in keeping with the spirit of equality of access which the Code promotes.
- On 10<sup>th</sup> March 2016 the Chair of the Authority wrote to Sir Robert Devereux at DWP<sup>6</sup> about methodological issues regarding the publication in the first bullet point above, citing both the need to maintain the spirit of equality of access which the Code promotes and the need to ensure, in line with Principle 8 of the Code, that timely access to information on 'methods, procedures, and classifications' supporting official statistics is provided.

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<sup>1</sup> [Tax Credit Statistics on EEA Nationals](#) and [Statistics on recently arrived non-UK EEA nationals subject to income tax and NI contributions or receiving HMRC administered benefits](#)

<sup>2</sup> <https://www.statisticsauthority.gov.uk/correspondence/eea-migrants-and-benefit-and-tax-credit-claims/>

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/475765/uk-benefits-and-tax-credits-eea-migrants.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/475765/uk-benefits-and-tax-credits-eea-migrants.pdf)

<sup>4</sup> <https://www.statisticsauthority.gov.uk/correspondence/eu-migration-and-uk-total-net-migration-statistics/>

<sup>5</sup> <https://www.statisticsauthority.gov.uk/correspondence/national-insurance-numbers-issued-to-recent-migrants/>

<sup>6</sup> <https://www.statisticsauthority.gov.uk/correspondence/proportion-of-eea-migrants-claiming-in-work-benefits-and-tax-credits/>

- On 23<sup>rd</sup> March 2016 I wrote to John Pullinger<sup>7</sup>, the National Statistician, with regard to ONS's commitment to publishing information on reconciliation work between the different sources of migration data in the Migration Statistics Quarterly Report in May 2016. I said 'Given the high level of public interest in migration, it is particularly important that the different sets of data are brought together in a coherent way, fully quality assured and published in an orderly manner, to paint as full a picture as possible of the patterns of migration'.

Our consistent view, therefore, has been that public debate should be informed by statistics that are openly available to all, are supported by appropriate information about methods and quality, and paint as comprehensive a picture as possible. In this context, we remain concerned about the repeated issues identified around equality of access to data on a topic of considerable public interest. We recognise that at present the system of statistical production has not been able to fully meet users' needs. However we are encouraged at the attempts that have been made to explore questions around taxes and benefits relating to EEA nationals and are reassured that further work on migration statistics has been recognised as necessary by statistics' producers, as evidenced by the 'next steps' section of the May 2016 publication by ONS "Note on the difference between National Insurance number registrations and the estimate of long-term international migration: 2016"<sup>8</sup>. It is clear that HMRC, DWP and ONS all have data relevant to this topic and have made good attempts to begin working together to exploit these data.

Turning to your specific point, we have considered the two ad hoc publications in the light of the Code of Practice for Official Statistics, particularly Principle 8 on frankness and accessibility<sup>9</sup> and the Release Practices Protocol<sup>10</sup>. The practices that support Principle 8 include providing a range of information on the quality and reliability of the statistics; and making statistics available in as much detail as is reliable and practicable. The release protocol seeks orderly release of statistical reports and providing equality of access to all. We consider that the ad hoc publications could do more to comply with all these elements. In particular, they contain limited information about quality and, as you point out, contain only very limited analytical detail, without any explanation as to why a more comprehensive analysis has not been reported. We are thus disappointed to conclude that, in relation to these elements of good statistical practice, these documents fall short of compliance the Code. We shall be raising this with HMRC.

We do recognise the considerable complexity HMRC faces in matching tax and benefit data with information from DWP. We are also aware that in both producer bodies resources are constrained. For these reasons we have raised with the National Statistician whether there may be scope for provision of some additional statistical resource to permit enhanced analysis of this topic in the public interest, and we are encouraged that he felt ONS staff could provide some additional assistance in this area. We feel this would be very welcome and helpful in improving the public value of statistics on an important topic. We will do whatever we can to help facilitate this; in particular we are of the view that in the years ahead there will be increasing interest in the analysis of a range of social and economic phenomena in ways that inform debate about the contribution of non-UK born individuals and households comprising non-UK born individuals, and that such analysis should be a priority for the statistical service.

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<sup>7</sup><https://www.statisticsauthority.gov.uk/correspondence/differences-between-dwp-statistics-on-national-insurance-numbers-allocated-to-adult-overseas-nationals-and-ons-migration-figures/>

<sup>8</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/noteontthedifferencebetweennationalinsuranceregistrationsandtheestimateoflongterminternationalmigration/2016>

<sup>9</sup> "provide information on the quality and reliability of statistics in relation to the range of potential uses, and on methods, procedures and classifications"

<sup>10</sup> "statistical reports should be released into the public domain in an orderly manner that promotes public confidence and gives equality access to all"

I am copying this letter to Sean Whellams, Head of Profession for Statistics at HMRC, David Frazer, Head of Profession for Statistics at DWP and John Pullinger, the National Statistician.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ed Humpherson', written in a cursive style.

**Ed Humpherson**