
Mark Pont, Assessment Programme Lead

Sean Whellams
Head of Profession for Statistics
HM Revenue and Customs
(by email)

2 August 2022

Dear Sean

Benefits in Kind statistics

We recently completed our compliance check of HM Revenue and Customs' (HMRC) [Benefits in Kind statistics](#). We carried out this compliance check as part of our follow-up monitoring of HMRC's progress against the recommendations set out in the [quality review](#) of HMRC's official statistics that we completed in spring 2020.

Our review found many positive features that demonstrate compliance with the Code of Practice for Statistics:

- HMRC's work to make users aware of the impact of the 2016 changes to benefit in kind tax collection. We commend the way that HMRC supported users to understand the impact of these important changes on the statistics.
- Improvements to quality assurance processes, through the simplification and documentation of code used to produce the statistics, along with the use of data process maps to assist with the management of risks and mitigating actions to ensure the data quality.
- The use of [Reproducible Analytical Pipeline](#) (RAP) principles such as documented code and processes, which increases confidence in the statistics and ensures quality is maintained during staff changeover.
- Comprehensive engagement with users, including a consultation exercise on changes to only reporting on company car and fuel benefits. HMRC responded well to users' requests around these changes including the introduction of new estimates of total taxable benefits in kind and company car gender breakdowns.

We have also identified ways in which the quality and value of these statistics could be enhanced:

- Transparency could be enhanced around quality assurance processes in order to reassure and inform users. HMRC has worked hard to improve quality assurance methods and now these improvements should be explained to users.
- Since the tax collection changes in 2016, HMRC has been concerned about a reporting gap, in which not all benefits in kind are correctly inputted into tax returns meaning the statistics are potentially underestimating the size of the benefits. It is important that users are updated on any progress in work on understanding this reporting gap and the size of this effect on the statistics, to improve the quality and public value of these statistics.

- Users have requested regional splits within the statistics and HMRC is working to implement these into the statistics. These breakdowns will be valuable to users and mean that user requests from the consultation will be satisfied. HMRC should be clear about when these breakdowns will be available and any additional uncertainties around these regional statistics.

I'd like to thank your team for its positive engagement on this review. We look forward to continuing to engage with you and the team. Please do get in touch if you would like to discuss any aspects of this letter further or if we can offer further assistance as these statistics continues to develop.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Pont', with a horizontal line underneath.

Mark Pont
Assessment Programme Lead