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Mark Pont, Assessment Programme Lead

Sean Whellams
Head of Profession for Statistics
HMRC
(by email)   20 December 2017

Dear Sean

STATISTICS ON TAX RECEIPTS AND NATIONAL INSURANCE CONTRIBUTIONS

As you are aware, we recently completed a high-level short review of HMRC'S *Tax Receipts and National Insurance Contributions* against the Code of Practice for statistics and this letter confirms our findings. We found that the statistics are prepared impartially, produced to good standards and provide useful insight to users. Strengths of the statistics include:

- a long time series in Table 1 back from 1980-81, along with an archive section that shows receipts going back to 1908/9 (former Inland Revenue) and 1958/9 (Customs and Excise)

- it is straightforward to see that receipts (in cash terms) have grown fairly steadily over the years and the reasons for the degree of variation in tax receipts as a proportion of GDP are well explained

- a sensible categorisation of the different taxes: consumption and environmental; personal income; business income and wealth; and capital and other receipts

- their monthly publication, published promptly after the reference period

Last year, following contact with us by a user about repeated errors in these statistics, we suggested that you review your QA arrangements for these statistics. Your colleagues have now demonstrated to us how they assure themselves that the statistics are robust and reliable. Particularly, we were assured by your review of the design of the spreadsheet to minimise risks of inadvertent mistakes; the addition of further automated checks to minimise human error; and the introduction of a QA review checklist to record when essential elements of the QA process have been completed each month. We also welcome your use of plotting data series to illustrate the data patterns and support judgments about the quality of the data.

I encourage you to consider whether the ongoing work on Reproducible Analytical Pipelines, which various bodies are promoting across the GSS, could help to secure efficiencies in producing the statistics and further strengthen your quality assurance. In addition, we see three further areas of improvement to these statistics:

- presentation – Figure 2 of the statistical bulletin is not easy on the eye, and the stacked bar chart makes it difficult to compare how the proportion of tax receipts relating to personal income, and to business income and wealth change over time.

- presentation – the format for the presentation of the statistics is primarily a PDF document, with data also published in proprietary xls format in spreadsheets. We spoke with your team about the extent to which users might expect greater ability to manipulate your data for use in their own analyses. The last published user survey we found was dated 2013, and given the changes to the way that users prefer to use data and statistics it may be helpful to engage with users again to confirm that your presentation of the statistics reflects the range of users and their uses.

guidance to users - the statistical bulletin very helpfully explains that it only presents information on the taxes collected by HMRC and suggests that for users interested in more complete coverage of all central government tax receipts that they refer to either the Public Sector Finances publication or Blue Book publications, both from the Office for National Statistics. You might wish to add to your guidance to users that it is important to note that each publication is presented on a different accounting basis. Your data are largely based on administrative data and are not presented within an economic accounting framework such as the UK Public Sector Finances report published by the UK Office for National Statistics. This difference in accounting can result in different figures.

Thank you for engaging effectively with us during this short review. Please let me know if there is any aspect of this letter that you wish to discuss.

Yours sincerely

Mark Pont
Assessment Programme Lead