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## HM Revenue and Customs

# Statistics of HMRC Survey Compliance Costs

### Summary

This publication shows the cost incurred by businesses and local authorities in complying with the statistical surveys conducted by HMRC during the 2017-18 financial year.

The HMRC Survey Compliance cost for 2017-18 was £6.73 million which was an increase of 6.5 per cent compared with the 2016-17 figure of £6.32 million.

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# Survey compliance costs statistics and statistical commentary

## Compliance costs

The 2017-18 costs were £6.73m, an increase of 6.5 per cent (using unrounded figures) from the 2016-17 figure of £6.32m. Table 1 shows the number of surveys and estimated cost for 2016-17 and 2017-18 for HMRC.

**Table 1: HMRC's Survey Compliance Costs**

Year	Number of surveys	Compliance costs (£m) <sup>1</sup>
2016-17	2	6.32
2017-18	2	6.73

1: Cost figures rounded to the nearest £10,000

The Intrastat survey of intra-European Union (EU) trade accounted for 99.9 per cent of total cost, with the remaining 0.1 per cent of cost from conducting the Ancillary Cost Survey.

Total Intrastat responses in 2017-18 were up 4.7 per cent on the previous year. As such, the increased cost seen in 2017-18 compared with the previous year was partly due to a change in response rates, as well as due to the 1.8 per cent increase in the calculated hourly wage rate for completing Intrastat (£18.90 in 2017-18 compared with £18.56 in 2016-17, as derived from the (provisional) 2017 Annual Survey of Hours and Earnings (ASHE) rates).

## Intrastat

All overseas trade in goods statistics were compiled from the information provided on customs declarations until the Single Market was created in 1993. Since customs declarations were no longer required for goods moving between EU Member States, the Intrastat system was introduced to collect information on intra-EU movements of goods. This uses a combination of data from the Value Added Tax return together with a more detailed Intrastat declaration from businesses which exceed annually set legal thresholds. The compilation and production of the statistics is governed by EU legislation, which sets the methodology, timescales and quality requirements.

## Ancillary Cost Survey

The Ancillary Costs Survey (ACS) allows HMRC to publish EU (Intrastat) trade figures on the same common valuation basis as all the other EU Member States. This basis is the value of the goods plus the cost of movement to the border of the Member State that publishes the statistics i.e. the Cost, Insurance and Freight (CIF) delivery terms value for arrivals and the Free on Board (FOB) delivery terms value for dispatches. The value of the trade under this common basis is called the statistical value. By conducting the ACS, we have avoided the need for all businesses to provide adjusted values on each line of trade on their supplementary declarations, thus reducing the burden on the business.

## Frequently asked questions

### What does this publication tell me?

The burden of completing government surveys, known as the survey compliance cost, is measured in terms of the costs to businesses and local authorities of completing them. This publication provides statistics on costs incurred by businesses and local authorities in complying with regular HMRC statistical surveys conducted in the 2016-17 and 2017-18 financial years.

### Why do we publish compliance costs?

Government departments conducting or commissioning statistical surveys are required to forecast and monitor the burden they impose on businesses and local authorities, and to minimise this where possible. Principle V5 of the Code of Practice for Official Statistics (2018) (the Code)<sup>1</sup> states that all producers of National and Official Statistics should

“Statistics producers should be transparent in their approach to monitoring and reducing the burden on those providing their information, and on those involved in collecting, recording and supplying data. The burden imposed should be proportionate to the benefits arising from the use of the statistics.”

Principle V5, Practice 5

Heads of Profession are responsible for ensuring implementation of the Code in their departments. The Office for National Statistics (ONS) Survey Control Unit is responsible for monitoring survey control procedures across government.

These statistics show the costs incurred by businesses and local authorities in complying with the statistical surveys conducted by HMRC in each financial year.

Up to 2010-11, survey compliance costs were produced according to instructions issued by the Prime Minister’s office and covered all statistical surveys of businesses and local authorities. The change in governance from the Prime Minister’s Instructions (PMIs) to the Code has altered the scope of the surveys covered so that since 2011-12 only surveys that are used to produce Official Statistics are included in the report.

### Who might be interested in these statistics?

Information from statistical surveys is vital to government for measuring economic growth and for monitoring and formulating policies. However, government must do all it can to minimise the financial burden placed on respondents to surveys.

This publication is likely to be of interest to policy makers in Government, businesses and local authorities and the public in general. It will be of particular interest to those who want to know how HMRC is progressing towards objectives to reduce survey compliance costs.

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<sup>1</sup> <https://www.statisticsauthority.gov.uk/wp-content/uploads/2018/02/Code-of-Practice-for-Statistics.pdf>

## **Which periods do the survey control statistics cover?**

This publication covers statistics for 2016-17 and 2017-18.

## **What surveys are covered by this publication?**

The figures in Table 1 relate to statistical surveys undertaken by HMRC staff or by consultants on behalf of HMRC staff. The surveys took place wholly or partly during the respective financial year period starting 01 April and ending 31 March the following year. Surveys of individuals, households, HMRC staff and those which are part of HMRC's normal compliance or assurance procedures, such as making declarations, are not included.

From 2011-12, implementation of survey control falls under the UK Code of Practice for Official Statistics. Consistent with the Code, survey controls only cover surveys that are used to produce Official Statistics<sup>2</sup>.

Thus, since 2011-12 HMRC has only reported on surveys within the new scope and the figures in Table 1 relate to only two of HMRC's surveys: the Intrastat Survey and the Ancillary Costs Survey.

Further information on government statistical surveys is published by the ONS and can be found at <http://www.ons.gov.uk/surveys>.

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<sup>2</sup> A definition of official statistics can be found at <https://gss.civilservice.gov.uk/policy-store/identifying-official-statistics-national-statisticians-guidance-2/>

## Background information

### Taxpayer confidentiality

HMRC has a legal duty to maintain the confidentiality of taxpayer information and disclosing information to persons outside of HMRC is only allowed in a limited number of circumstances.

These are set out in Section 18 of the Commissioners of Revenue and Customs Act 2005: <http://www.legislation.gov.uk/ukpga/2005/11/section/18>

### User engagement

HMRC is committed to providing impartial quality statistics that meet our users' needs. We encourage our users to engage with us so that we can improve our Official Statistics and identify gaps in the statistics that we produce. If you have any comments or questions about these statistics then please contact the responsible statistician directly (contact details provided below and on the cover page).

### Statistical contacts

Enquiries about HMRC survey compliance cost statistics should be directed to the statisticians responsible for these statistics:

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For general enquiries about Official Statistics, contact the ONS Statistics Public Enquiry Service on:

**Phone:** 0845 601 3034 (Overseas: +44 (0) 1633 653 599)  
**Minicom:** +44 (0) 1633 815044  
**Email:** [info@ons.gsi.gov.uk](mailto:info@ons.gsi.gov.uk)  
**Fax:** +44 (0) 1633 652747  
**Letters:** Customer Contact Centre, Room 1.101, Cardiff Road, Newport, NP10 8XG

HMRC Official and National Statistics can be found on the internet at:  
<https://www.gov.uk/government/organisations/hm-revenue-customs/about/statistics>