

Background Quality Report: Statistics of Government revenues from UK oil & gas production

Dimension	Assessment by the author
Introduction	<p data-bbox="544 338 959 376"><i>Context for the quality report.</i></p> <p data-bbox="544 412 1406 645">Government revenues from UK oil & gas production are published on a yearly basis and are a full historical record of all tax duty types levied on profits from exploration and production operations. Petroleum Revenue Tax (PRT) assessment data is also published bi-annually and provides a more recent history of profits, expenditure, reliefs and allowances for fields liable to this tax type.</p> <p data-bbox="544 680 1374 779">The information is compiled from HMRC records of receipts and assessments pre release versions are provided to senior HMT and HMRC officials before publication.</p> <p data-bbox="544 815 1342 913">A summary document which provides background information about the latest releases, including statistical briefing and information on methodology and statistical quality.</p>
Relevance	<p data-bbox="544 943 1406 1016"><i>The degree to which the statistical product meets user needs in both coverage and content.</i></p> <p data-bbox="544 1052 1406 1285">Table 11.11 shows historic receipts from all taxes levied on exploration and production activities of UK oil and gas companies. The table covers all years from 1968-69 to the last year for which we have total receipts figures, which is currently 2011-12. The table is supplemented by charts illustrating the changes in receipts from 1984-85 and the trends of oil prices compared with production and expenditure from 1984.</p> <p data-bbox="544 1321 1406 1554">Table 11.12 covers petroleum revenue tax assessments raised on companies participating in fields given development consent on or before 16th March 1993 and the participators are charged at the current rate of 50% PRT on chargeable profits made. The assessments are raised for half year accounts periods ended 30th June and 31st December. The current table covers assessments for the first half of 2005 to the second half of 2011.</p> <p data-bbox="544 1590 1390 1756">Table 11.13 shows the numbers of fields assessed for petroleum revenue tax with gross profits of over £1 million in a six month chargeable period. The table includes the numbers of fields whose profits are covered by expenditure and allowances and those paying PRT at different levels.</p> <p data-bbox="544 1792 1390 1890">The statistical outputs cover the full population of companies and fields operating in the UK continental shelf and provide our users with factual content in this specialised area.</p> <p data-bbox="544 1926 1390 2024">A formal consultation was run in 2012 and some users expressed a desire for breakdowns at regional and company level. HMRC have a duty to comply with strict rules on confidentiality and</p>

	<p>cannot make company information public. Regional data is not currently identified in the data gathering process and the vast majority of operations are offshore so there are difficulties in identifying regional activity.</p> <p>PRT receipts data is subject to a yearly audit by NAO and the published tables, charts and documents are quality checked and approved by HMRC line managers and statisticians.</p>
<p>Accuracy and Reliability</p>	<p><i>The proximity between an estimate and the unknown true value.</i></p>
	<p>As the data is for the full population and there are no estimates included it is not subject to any sampling or measurement bias error.</p> <p>The Corporation Tax data in table 11.11 is subject to possible revision, however, as payments are subsequently identified to be made on profits that are not from exploration and production activities. A review of the proportion of payments relating to exploration and production activities and those relating to refining and retail activities is currently underway in HMRC's statistical department.</p> <p>The PRT assessments statistics in tables 11.12 & 11.13 are also subject to revisions over time as tax inspectors undertake and then complete assessments into companies' PRT liabilities for previous assessment periods.</p>
<p>Timeliness and Punctuality</p>	<p><i>Timeliness refers to the time gap between publication and the reference period. Punctuality refers to the gap between planned and actual publication dates.</i></p>
	<p>The annual release of table 11.11 is shortly after the financial year end in April and the table is always updated to include this year, so there is very little time lag in publishing this data.</p> <p>Half yearly PRT assessments are raised at the end of May and November. Assessment data in tables 11.12 and 11.13 are published in April and October, so there is a five month lag between the data being available and the publication date, although assessment amendments up to the previous month are included the data releases.</p> <p>So far we have always published the statistics on the planned publication dates</p>
<p>Accessibility and Clarity</p>	<p><i>Accessibility is the ease with which users are able to access the data, also reflecting the format in which the data are available and the availability of supporting information. Clarity refers to the quality and sufficiency of the metadata, illustrations and accompanying advice.</i></p>
	<p>The published tables appear under Corporate tax in the Official</p>

	<p>Statistics area of the HMRC website, and are available in both pdf and Excel formats (enabling users to easily copy and paste the statistics into their own spreadsheets if they wish to). The main release pages provide commentary and charts on both the content of the tables and the data and methodology used to prepare them, with report on user feedback, glossary of terms and useful links.</p> <p>The underlying data are confidential so are not discussed in the releases. In July 2012, The UK Statistics Authority published an assessment report 235, in which the presentation and clarity of the statistics received some praise in paragraph A2.12, but there is still some further refinements recommended and these will be considered in the next main release of tables in April 2013.</p>
<p>Coherence and Comparability</p>	<p><i>Coherence is the degree to which data that are derived from different sources or methods, but refer to the same topic, are similar. Comparability is the degree to which data can be compared over time and domain.</i></p> <p>The validity of the data can be measured at company level by comparing assessments with receipts. HMRC administrative systems record assessments and receipts independently, so these can be matched as necessary. When HMRC introduced a new accounting system for recording PRT charges and receipts in 2006, a whole series of validation exercises were undertaken by HMRC's statistical department to ensure accuracy of recording.</p> <p>The PRT receipts statistics are agreed with HMRC Finance department and will inform the NAO audited National Accounts. Corporation Tax statistics also contribute to the overall CT receipts as stated in National Accounts.</p>
<p>Trade-offs between Output Quality Components</p>	<p><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></p> <p>No such balancing adjustments were necessary.</p>
<p>Assessment of User Needs and Perceptions</p>	<p><i>The processes for finding out about users and uses, and their views on the statistical products.</i></p> <p>A formal user consultation was run in early 2012 but there was a very low response rate which was not ideal, although the general message was that the statistics were meeting our users needs. Since this is a specialised area the identification of certain users in Government, the industry and academia is intuitive. HMRC have compiled a fairly comprehensive list of known users and intend to take a more targeted approach to consultation.</p> <p>HMRC use these statistics to answer parliamentary questions and to inform policy decisions. Our users also use the statistics for media, research and forecasting purposes.</p>
<p>Performance,</p>	<p><i>The effectiveness, efficiency and economy of the statistical</i></p>

Cost and Respondent Burden	<i>output.</i>
	The data used to produce the statistics is 100% sourced from HMRC administrative data that would be compiled anyway, so there are no additional costs needed to collect the data.
Confidentiality, Transparency and Security	<i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i>
	Aggregation, rounding and suppression of small numbers are used to protect against statistical disclosure of taxpayer confidential data.