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# Statistics of HMRC Survey Compliance Costs

**An Official Statistics release**

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## About these statistics

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 6 of the Code of Practice for Official Statistics (2009) (the Code)<sup>1</sup> states that all producers of National and Official Statistics should

“Report annually the estimated costs (for example, on businesses, service providers, or the public) of responding to statistical surveys ...”

Principle 6, Practice 1

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<sup>2</sup> 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.

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)

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**Letters:** Customer Contact Centre, Room 1.101, Cardiff Road, Newport, NP10 8XG

HMRC Official and National Statistics can be found on the internet at:

<http://www.hmrc.gov.uk/statistics>

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<sup>1</sup> <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf>

<sup>2</sup> <http://www.ons.gov.uk/ons/guide-method/method-quality/quality/survey-control/index.html>

# HMRC Survey Compliance Costs

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## **Section 1: Introduction**

### **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 2011-12 and 2012-13 financial years.

### **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.

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

This publication covers statistics for 2011-12 and 2012-13. Copies of the GSS reports on survey control are available online<sup>3</sup>.

### **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). Alternatively, you can use the HMRC statistics feedback form linked below. We will

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<sup>3</sup> <http://www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm%3A77-210555>

undertake to review user comments on a quarterly basis and use this information to influence the development of our Official Statistics:

<http://www.hmrc.gov.uk/statistics/feedback.htm>

### **Statistical contacts**

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

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Media enquiries should be directed to the HMRC Press Office contacts listed on the front page of this release.

## Section 2: Survey compliance costs statistics and statistical commentary

### Compliance costs

The 2012-13 costs were £10.3m, a slight increase of 2.7 per cent (using unrounded figures) from the 2011-12 figure of £10.0m. Table 1 shows the number of surveys and estimated cost for 2011-12 and 2012-13.

Year	Number of surveys	Compliance costs (£m) <sup>1</sup>
2011-12	2	10.0
2012-13	2	10.3

1: Cost figures rounded to the nearest £100,000

The Intrastat survey of intra-European Union (EU) trade accounts for a fraction under 100 per cent of the cost as only one other survey is included. The main drivers behind this increase were:

- A 2.0 per cent increase in the number of businesses submitting a monthly Intrastat return due to improvements in the response rate.
- A 1.4 per cent increase in the wage rate.

The costs for the Ancillary Costs Survey (ACS) for 2011-12 have been revised from £11,000 to £12,000 due to a change in the wage rate type used in the calculation of the compliance cost. For 2012-13 the ACS costs were £9,000. This is a 24 per cent decrease compared to 2011-12, which was due to a 25 per cent reduction in the number of ACS returns received.

### 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.

## Section 3: Definitions and background information

### What surveys are covered by this publication?

The figures in section 2 relate to business and local authority 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 1<sup>st</sup> April and ending 31<sup>st</sup> 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>4</sup>.

Thus, since 2011-12 HMRC have only reported on surveys within the new scope and the figures in section 2 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/ons/guide-method/method-quality/quality/survey-control/index.html>

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<sup>4</sup> A definition of official statistics can be found at <http://www.statisticsauthority.gov.uk/national-statistician/ns-reports--reviews-and-guidance/national-statistician-s-guidance/identifying-official-statistics.pdf>