

**Background Quality Report: Finalised Tax Credit publications (Finalised, supplement on payments, LSOA)**

Dimension	Assessment by the author
Introduction	<p data-bbox="501 338 919 376"><i>Context for the quality report.</i></p> <p data-bbox="501 412 1362 577">Tax credits were introduced in April 2003 replacing Working Families' Tax Credit, Disabled Person's Tax Credit and Children's Tax Credit. They are an important part of the Government's policy aims to provide adequate financial incentives to work, reduce child poverty and to increase financial support for all families.</p> <ul data-bbox="596 613 1362 949" style="list-style-type: none"> <li>- Working Tax Credit tops up the income of families on low or moderate income subject to certain eligibility criteria being met. More information about eligibility can be found on the <a href="#">HMRC website</a></li> <li>- Child Tax Credit provides support to families for the children for which they are responsible. Children are eligible up to the 31<sup>st</sup> August after their 16<sup>th</sup> birthday or until their 19<sup>th</sup> birthday if they are in full-time non-advanced education.</li> </ul> <p data-bbox="501 1016 1091 1048">This publications provides information about:</p> <ul data-bbox="596 1052 1362 1487" style="list-style-type: none"> <li>- The number of families and children receiving Working Tax Credit and Child Tax Credit or equivalent child support through Income Support or income-based Jobseeker's Allowance. The 'Small Area Data' publication also shows this at LSOA/Datazone level.</li> <li>- The level of entitlement being received and whether a family is in or out of work, and/or benefiting from certain Tax Credit elements such as childcare and disability.</li> <li>- The 'Supplement on Payments' includes the number of awards where payments received were lower or higher than the finalised entitlement, and the amount of entitlement and payments.</li> </ul> <p data-bbox="501 1523 1347 1720">As the amount of Tax Credit received depends upon the family income and circumstances the data could provide an insight into the affluence of an area together with the families that live there. However, this data does not give an indication of those who do not receive Tax Credits either as a result of being ineligible or through not claiming</p> <p data-bbox="501 1756 1331 1921">Tax credits are based on household circumstances and can be claimed jointly by members of a couple, or by singles. Maximum 'untapered' entitlement is based on a variety of different factors such as age of claimants, hours worked, number and age of children, childcare costs and disabilities.</p> <p data-bbox="501 1957 1347 2020">A household's actual (tapered) entitlement is then determined by tapering the maximum amount according to income provided for</p>

	<p>Tax Credits purposes.</p> <p><b>iii) Data source and how the data were collected</b></p> <p>The details of all Tax credit claim and claimants are held on the NTC system. The data is initially based upon the information provided by the claimant in their initial application. Claimants are required to inform HMRC if there are changes to their circumstances. Claimants are also sent an annual renewal pack which asks them to confirm that the information HMRC holds is still accurate. KAI receives an extract of this data, which is delivered via the Worthing data warehouse.</p> <p>The estimates for out-of-work families administered by DWP are derived from scans of the benefits systems. These identified all families with children receiving benefits. Subsequent matching is then done to remove families who already claim Tax Credits.</p>
<p><b>Relevance</b></p>	<p><b><i>The degree to which the statistical product meets user needs in both coverage and content.</i></b></p> <p>The 'Finalised Awards' and 'Supplement on Payments' are currently published at the end of May each year, just over one year after the end of the tax year to which they relate. 'The Small Area Data' statistics are published in July. These are National Statistics and the month of publication is pre-announced a year in advance with the exact date being published in the preceding publication.</p> <p>The statistics contained in this publication will be of interest to anyone who is looking for the most comprehensive data on families receiving Tax Credits or Tax Credit payments. Specifically, there are aggregate statistics on who is getting what level of tax credits support, and the number of awards underpaid or overpaid, as well as breakdowns by various subcategories - e.g. family composition, family income, work status, and detailed geographical analyses. It may be of interest to academics, think-tanks, political parties interested in the twin aims of Tax Credits: eradicating child poverty and improving work incentives. Equally, it may be of interest to people considering wider questions on government support systems and/or others designing benefit systems.</p>
<p><b>Accuracy and Reliability</b></p>	<p><b><i>The proximity between an estimate and the unknown true value.</i></b></p> <p><b>Estimates:</b> The statistics in these publications are based on a full scan of all claims, and are consistent with control totals. Entitlement is modelled for each claim in order to produce additional information, however comparisons with actual entitlement, show that these are also invariably accurate.</p> <p>The scan does not cover out of work families who receive their child support via Income Support or income-based Jobseeker's Allowance (IS-JSA) rather than CTC. A scan of such families was obtained from the Department for Work and Pensions. This contained sufficient information to distinguish single parents from</p>

	<p>couples, and this can be linked to our Child Benefit data to obtain up-to-date details on the number and ages of any children. The level of entitlement is modelled using this information, which however could not include the disabled child or severely disabled child premium. To produce annual averages to be added to the annual CTC averages, the aggregates are scaled by a factor needed to produce a separately-estimated overall average for the year. The annualised entitlements were also scaled to agree with the separately known total of expenditure via benefits for these families.</p> <p><b>Revisions:</b> These publications relate to the finalised view of family incomes and circumstances at the time the data is extracted. Although it is possible that a small number of claimants could retrospectively alter their circumstance after this time, the publications are not subject to revision.</p>
<p><b>Timeliness and Punctuality</b></p>	<p><b><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></b></p> <p>The ‘Finalised Awards’ and ‘Supplement on Payments’ are currently published at the end of May each year, just over one year after the end of the tax year to which they relate. The delay in publication is the result of the finalisation process built into the Tax Credits system. Most families have until July 31st following the end of the entitlement year to renew their award reporting their finalised income for the year in question. However, families that report income from Self-Assessment (e.g., the self-employed) have until January 31st of the following year to finalise their income. As a result, the full picture is not known until at least February the year after the entitlement year ends and consequently publication is delayed until May.</p> <p>The ‘Small Area Data’ statistics are published at the end of July. They use the same data as the publications above, but require more quality assurance due to the low-level nature of the statistics.</p> <p>The publication dates are published in the preceding publication and produced in order to give us enough time to produce the analysis, quality assure it and to get it into the right format for publication. It is down to KAI to agree an appropriate publication date.</p> <p>All publications have been published on the pre-announced date.</p>
<p><b>Accessibility and Clarity</b></p>	<p><b><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></b></p>

	<p>The publications are released through UK National Statistics publication Hub which is a gateway to all UK National Statistics.</p> <p>The statistics are available to download in PDF and Excel formats, directly from our website. The Excel version is available so that people can directly access the statistics and incorporate them in to their analysis or reports. We may also provide information over the telephone if customers contact us about the statistics.</p> <p>The HMRC website conforms to a number of accessibility criteria – more information can be found on the website itself:</p> <p><a href="#">HMRC Accessibility</a></p> <p>The statistics themselves are only available in either Excel or PDF versions, but also information is provided over the telephone when customers contact us about the statistics.</p> <p>There is also an accessibility statement on the Neighbourhood Statistics website:</p> <p><a href="#">Neighbourhood Statistics Accessibility</a></p>
<p><b>Coherence and Comparability</b></p>	<p><b><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></b></p> <p>One of the recommendations that arose from the UKSA review was that further explanation was needed as to the purpose of each of our similar publications, and who would benefit most from each one. We extended the introductions to include details of why each one was different, and how they could be most beneficial to users.</p> <p>It became impossible to fully compare with the previous publications due to numerous policy changes regarding Tax Credits, in particular at Spending Review 2010. Changes in geographical boundaries and area codes also have an impact on time series analysis.</p>
<p><b>Trade-offs between Output Quality Components</b></p>	<p><b><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></b></p> <p>The publications provide a complete retrospective picture for the year, based on a finalised view of family incomes and circumstances. The Provisional Tax Credit statistics use a snapshot of circumstance at April or December to model entitlement for the whole year;</p> <p>So, the trade-off that should be considered is that figures for finalised awards give a more accurate picture of circumstance</p>

	and entitlement, but can only be produced with a one year delay.
<b>Assessment of User Needs and Perceptions</b>	<b><i>The processes for finding out about users and uses, and their views on the statistical products.</i></b>
	<p>A formal review of our National and Official Statistics publications was held between May and August 2011. Over 130 responses were received from a broad range of users. A report summarising the responses received was published in May 2012, with a summary of the results presented <a href="#">here</a>.</p> <p><u>User Consultations:</u> HMRC recognises the importance of consulting on policy, legislative and operational change and has set out its approach on its website. When it is appropriate to run a formal, public, written consultation exercise, HMRC Tax Credit Statistics do so in accordance with the Cabinet Office guidelines. Informal consultation, surveys and reviews are also conducted periodically.</p> <p>We also maintain a spreadsheet containing every request we receive from users, which include the general public, Parliamentary Questions, OGD's, Local Councils, etc.</p>
<b>Performance, Cost and Respondent Burden</b>	<b><i>The effectiveness, efficiency and economy of the statistical output.</i></b>
	<p>The data used to produce these publications are derived from scans, for a single entitlement year, of the live NTC system based in Telford. The operational cost of producing each scan is minimal after the initial cost of setting up the regular scan. These scans are needed for other purposes aside from the production of National Statistics and for this reason need to be viewed as on-going operational costs.</p> <p>The internal time spent (staff resource time) producing the statistics is approximately 150-200 hours work over two different grades</p> <p>It should be noted that as there is no burden on the respondent (survey time) for the production of these statistics, it would be plausible to assume that the resource allocation would be lower than for comparable published statistics produced by other government departments. However, there is no data available to support this claim.</p>
<b>Confidentiality, Transparency and Security</b>	<b><i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i></b>
	<p>HMRC records management is designed to ensure HMRC compliance with:</p> <ul style="list-style-type: none"> <li>▪ the Data Protection Act 1998 (DPA);</li> </ul>

- the Public Records Act 1967 (PRA);
- the Freedom of Information Act 2000 (FOI) (in particular the Code of Practice on Records Management issued under s46 FOI which requires that public authorities have effective record-keeping arrangements in place); and
- HMRC's own policies for the efficient management of its information.

Controlled Access Folders (CAFS) are used for the working production of the Provisional Tax Credit Statistics. Housekeeping checks are performed on the folder to ensure clarity of ordering and naming conventions. Information retrieved and published is for anonymised counts.

With regard to Confidentiality, prior to the date and time of publication, the data is classified as restricted and is only made known to those involved in the publication process. As part of the Ministerial Submission Process, designated individual would have access to the published version twenty-four hours before the release of the publication.