

Background Quality Report: Charity Tax Statistics

Dimension	Assessment by the author
Introduction	<p data-bbox="544 297 959 338"><i>Context for the quality report.</i></p> <p data-bbox="544 353 1401 533">Tables 10.1 through 10.8 are the HMRC (national) statistics on charity tax reliefs. These tables chart the amount of relief that HMRC gives to charities and individuals. These charts date back to 1990/91 and are generally derived from administrative data.</p> <p data-bbox="544 591 1401 770">There are 3 agents involved in charity tax reliefs; HMRC, the charities and the individual who makes the donation. The tables reflect this with 10.1 and 10.4 showing repayments to charities, 10.2 the cost to HMRC and 10.3 the amount of repayments to individuals.</p> <p data-bbox="544 828 1374 1043">All the data is derived from administrative data (apart from Payroll Giving) which has always been collected for administrative purposes. Given that we would capture and analyse the data for policy purposes anyway, the cost of production is limited to the additional work required in the publication.</p> <p data-bbox="544 1102 1406 1496">The figures for Payroll Giving in Table 10.8 have historically been calculated on the basis of quarterly data sent in by the Payroll Giving Agencies who run the Payroll Giving scheme. This is provided to HMRC Specialist Personal Tax Charities Branch in a standard format; they then collate and aggregate the data. In the case where data was only available for part of the required year, the available data was extrapolated to give a projection for the whole year. From 2012-13, the collection system has changed over to an annual collection and there is no longer need for any data extrapolation.</p>
Relevance	<p data-bbox="544 1512 1406 1583"><i>The degree to which the statistical product meets user needs in both coverage and content.</i></p> <p data-bbox="544 1599 1406 1711">The outputs are described in the commentary, to be found at UK Charity Tax Relief Statistics - Commentary</p> <p data-bbox="544 1747 1406 1926">Our statistics on charity tax reliefs are of interest to policy makers in government, academics, researchers and journalists with an interest in taxation and the 3rd sector. More specific information is given below, in the section entitled 'Assessment of User Needs and Perceptions'.</p> <p data-bbox="544 1962 1406 2031">A user survey was conducted in Spring/Summer 2012 and indicated that in general the product was effective in meeting</p>

	<p>user needs. The main unmet demand identified was for information on named users or groups of users of Payroll Giving; providing this would conflict with HMRC and National Statistics confidentiality and data protection policies. There was also some demand for a segmented analysis of Higher Rate taxpayers making Gift Aid donations, along the lines of the former Tables 10.5-10.7. We have published a response to this consultation at</p> <p>HMRC Charity Tax Statistics User Consultation</p> <p>Some relevant comments from the commentary follow:</p> <p><u>Understanding ways in which statistics are used</u></p> <p>We have had some correspondence with users of the statistics, and are from time to time invited to comment on interpretations of them in the media. HMRC are working towards finding out more about the users of these statistics, and are in the process of setting up a meeting with representatives of the Charity Tax Forum to discuss possible enhancements of the statistics.</p> <p><u>Uses for source data</u></p> <p>There are two general types of data used here: HMRC administrative data and data from the Payroll Giving Agencies,</p> <p>With regard to HMRC administrative data, the primary purpose for collecting data through these administrative sources is to ensure that taxpayers are paying the correct amount of tax or in the case of charities receiving the correct reliefs and repayments. HMRC's policy on the use of administrative data for producing statistics is set out at</p> <p>HMRC Statement of Administrative Sources</p> <p>For Payroll Giving, data on numbers of donors and amounts of donations is sourced from Payroll Giving Agencies, and providing it is a statutory obligation for them. Outside HMRC statistics, the data is also used in statistics published by the Payroll Giving Centre (see their Facts & Figures)</p>
<p>Accuracy and Reliability</p>	<p><i>The proximity between an estimate and the unknown true value.</i></p> <p>UK Charity Tax Relief Statistics - Commentary</p> <p>Methodology is discussed in the commentary at Section 5. The document also contains a table of revisions in Section</p>

	<p>11. Following discussions with UKSA, we are moving towards a consistent approach to rounding these statistics, and this is discussed in Section 1 of the commentary.</p> <p>The statistics in the publication specifically only cover those reliefs for which it is possible to make an accurate assessment. The underlying data is subject to various types of checking depending on the data source. The statistics are largely derived from administrative data. This obviates error due to sampling in a survey, and in addition quality assurance processes are designed into the operational systems that collect the data and further quality checks are added by analysts using the data for analytical purposes. These checks include manual and automated checking processes. This is covered in</p> <p>HMRC Statement of Administrative Sources.</p> <p>In addition, further checking is applied during the process of calculating the statistics published and reasonableness checks are carried out when new statistics are produced (are they in line with previous figures, are they what we would expect given what has happened since, are there plausible explanations for changes).</p> <p>For Gift Aid repayments data, this is used in claiming and making repayments to charities and as such is thoroughly checked.</p> <p>There are presently no known issues around data quality for Payroll Giving supplied by Payroll Giving Agencies, and an audit currently under way into the operation of Payroll Giving has not so far thrown up any data-related issues. In the past there have been some issues related to discontinued donors and pooled funds.</p> <p>Information on the underlying data for VAT statistics is available at VAT Bulletin.</p>
Timeliness and Punctuality	<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>These statistics follow HMRC Statement of Compliance - Revisions policy:</p> <p>HMRC policy on Revisions</p> <p>These statistics are published three times a year. Release dates are announced on the UK Statistics Hub and the HMRC National Statistics release schedule.</p>

	<p>Any potential delays to the publication date are announced on the HMRC National Statistics website. The published statistics will be revised if an error is discovered in the data or modelling or if new (updated) data becomes available. We will detail any revisions in the commentary for that year.</p> <p><u>Late returns</u></p> <p>As indicated in the appropriate places, many of these figures are produced some time after the year in question, with the interim being supplied by projections of various kinds.</p> <p>Timeliness and punctuality</p> <p><u>Availability of data</u></p> <p>This will differ for different taxes and different data sources.</p> <p><u>Timeliness versus completeness</u></p> <p>Projections of various kinds are used in cases where awaiting a definitive result on the basis of outturn data would introduce an unconscionable delay.</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>Data is published on the GOV.CO.UK website:</p> <p>Charitable donations and tax reliefs statistics</p> <p>The accompanying commentary:</p> <p>UK Charity Tax Relief Statistics - Commentary</p> <p>It provides extensive background on the statistics at both reasonably elementary and fairly advanced levels.</p> <p>Some points from the commentary:</p> <p><u>Restrictions on access to data – taxpayer confidentiality</u></p> <p>Statistics are compiled using aggregated data. As such, there are confidentiality issues.</p>

	<p><u>Disclosure control</u></p> <p>There do not appear to be any tables that present a disclosure risk.</p> <p><u>Timetable for release of data</u></p> <p>Table 10.2 (Cost of Tax Relief) gets updated 3 times a year. The next scheduled update is in December 2014. Other published tables get updated annually. The next scheduled update is in June 2015.</p>
Coherence and Comparability	<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>Comparability</p> <p><u>Tax regime changes</u></p> <p>Changes to tax rates, and rules around requirements to complete tax returns are treated in Section 4 of the commentary:</p> <p>UK Charity Tax Relief Statistics - Commentary</p> <p><u>Back series available</u></p> <p>Annual data is published in this release for a period back to 1990-91.</p> <p>Coherence</p> <p><u>Population units</u></p> <p>Where repayments to charities are in question, these charities are identified using standard identifiers for each charity registered to receive Gift Aid. Similarly, in Self Assessment data, all Self Assessment taxpayers have an individual identifier.</p>
Trade-offs between Output Quality Components	<p><i>Trade-offs are the extent to which different aspects of quality are balanced against each other.</i></p>
	<p>As described in the corresponding sections, projections of various kinds are used in cases where awaiting a definitive result on the basis of outturn data would introduce an unconscionable delay.</p>
Assessment of	<p><i>The processes for finding out about users and uses, and their views on the statistical products.</i></p>

User Needs and Perceptions	<p>Charity tax reliefs are of interest to policy makers in government, academics, researchers and journalists with an interest in taxation and the 3rd sector. They might also be of interest to individuals or organisations working in fields related closely to charities for example fundraising agencies, sector bodies, accountants and other voluntary organisations.</p> <p>More specifically, we are aware that policy colleagues in HMRC and HMT use the statistics to assess the effects of policies in the charities tax field, as indeed do charities' representative bodies. Charities also use the data to assess trends in charitable giving. Representative bodies have used the statistics in suggesting policy changes in the tax area, while the specialist media have used them as background for commenting on policy changes initiated by the Government.</p>
Performance, Cost and Respondent Burden	<p><i>The effectiveness, efficiency and economy of the statistical output.</i></p> <p>We estimate the cost of producing the current (end June) release of the charities statistics at £ 9,000. This includes the cost of producing the new National Statistics commentary. We estimate that without the production of the new commentary, the cost would be £ 2,500 for the release or £ 7,500 for the year (three releases).</p> <p>The cost is basically that of processing administrative data that already exists. For Payroll Giving, it is a matter of processing data that is produced as a statutory requirement. There appears to be no additional cost as such.</p>
Confidentiality, Transparency and Security	<p><i>The procedures and policy used to ensure sound confidentiality, security and transparent practices.</i></p> <p>Follow the HMRC Statement of Compliance – Confidentiality and Access Policy:</p> <p>HMRC policy on Confidentiality and Access</p> <p>See also point 7 (“Protect your information and respect your privacy”) of the HMRC customer charter “Your Charter”:</p> <p>Your Charter</p> <p>All statistics are presented at aggregate level so there are no confidentiality issues. Statistics are presented at aggregate level so statistical disclosure control methods are not applied to this output.</p>