



### About this release

These statistics provide a useful breakdown of the costs incurred by businesses of completing HMRC statistical surveys.

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### Summary

This publication shows the cost incurred by businesses and local authorities in complying with the statistical surveys conducted by HMRC during the 2020-21 financial year.

The HMRC Survey Compliance cost for 2020-21 was £5.34 million which was a decrease of 23% compared with the 2019-20 figure of £6.94 million. The main decreasing contributor was the introduction of customs declarations for goods exported from GB to the EU from 1st January 2021, removing the need for business to complete Intrastat survey declarations therefore reducing the burden on businesses for statistical information for the last 3 months of 2020-21.

The Intrastat survey of intra-European Union (EU) trade accounted for just under 100% of total cost, with the cost from conducting the Ancillary Cost Survey being less than 0.1 of a percentage point.

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

Year	Number of surveys	Compliance costs (£m)
2019-20	2	6.94
2020-21	2	5.34

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# Compliance costs

## Intrastat survey

Total Intrastat responses in 2020-21 were down 23% on the previous year, driven by a number of factors including:

- Intrastat returns were no longer required for the exports of trade in goods from Great Britain to the EU from January 2021<sup>1</sup>
- the effect of COVID-19, some businesses stopped trading for a period of time which was reflected in the published trade statistics

There was also a 1.4% decrease in the calculated hourly wage rate for completing Intrastat (£19.07 in 2020-21 compared with £19.33 in 2019-20, as derived from the (provisional) 2020 Annual Survey of Hours and Earnings (ASHE) rates).

**Table 2: Intrastat compliance costs**

Year	2019-20	2020-21	Change (%)
Number of responses (monthly)	30,882	23,708	-23.2%
Calculated hourly rate (£)	19.33	19.07	-1.4%
Total cost (£000)	6,932	5,343	-22.9%

## Ancillary Cost Survey

Total Ancillary Cost Survey (ACS) responses in 2020-21 were down 97% on the previous year, driven by a combination of factors, including:

- COVID-19 impacting staff availabilities to complete survey forms
- HMRC did not send out survey forms for several months as this was not deemed a priority through this difficult period for businesses due to COVID-19
- increase in other compulsory administrative obligations to businesses after leaving the European Union, giving voluntary requests for information a lower priority
- respondents adjusting to the new submission mechanism on UKTradeinfo

There was also a 1.0% decrease in the calculated hourly wage rate for completing ACS (£15.78 in 2019-20 compared with £15.62 in 2020-21).

**Table 3: Ancillary Cost Survey costs**

Year	2019-20	2020-21	Change (%)
Number of responses (total)	958	29	-97.0%
Calculated hourly rate (£)	15.78	15.62	-1.0%
Total cost (£000)	7.6	0.2	-97.0%

<sup>1</sup> From 31 December 2020, the free movement of people and goods and services between the UK and the EU ended. As a result, businesses were no longer required to submit Intrastat for exports to the EU, except if the goods were exported from Northern Ireland. Instead the data was obtained from Customs declarations. These are an administrative source, as opposed to a statistical survey, and therefore not included in this publication.

### Total survey compliance cost

Total survey compliance cost in 2020-21 was down 23.0% on the previous year. This was dominated by the number of Intrastat responses compared with the number of Ancillary Cost Survey responses (almost 100%, up from 99.9% last year).

**Table 4: Total survey compliance costs**

Year	2019-20	2020-21	Change (%)
Intrastat (£000)	£6,932	£5,343	-22.9%
ACS (£000)	£7.6	£0.2	-97.0%
Total (£000)	£6,939	£5,343	-23.0%

# Explanatory notes

## 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.

From 31 December 2020, the free movement of people and goods and services between the UK and the EU ended. This changed the way HMRC collects trade in goods statistics. As a result, businesses were not required to submit Intrastat for exports to the EU, except if the goods were exported from Northern Ireland. However, they were required to submit Customs declaration for these goods. Costs relating Customs declarations are not included in the calculations in this release as they are deemed administrative sources of data rather than Statistical surveys.

## 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.

## ASHE rates

The Office for National Statistics publish the Annual Survey of Hours and Earnings annually. Table 14 breaks down earnings by Standard occupational classification (SOC). We take Gross Hourly Pay for all employee jobs in the UK (table 14.5a), selected for SOC codes 1, 2, 3, 4, and 1115, and use the median average. For calculation of Intrastat cost, a weighted average of the SOC codes is used, while for ACS, code 3 (junior manager) is used. This explains the difference in calculated hourly rate in the tables. Source <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashtable14>

## Frequently asked questions

### 1. 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 2019-20 and 2020-21 financial years.

### 2. 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 V5.5 of the Code of Practice for Official Statistics (2018) (the Code)<sup>2</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

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.

### 3. 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.

### 4. Which periods do the survey control statistics cover?

This publication covers statistics for 2019-20 and 2020-21.

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<sup>2</sup> <https://code.statisticsauthority.gov.uk/wp-content/uploads/2018/02/Code-of-Practice-for-Statistics.pdf>

# Explanatory Notes

## 5. 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>3</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>.

## 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).

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If using specific facts contained in this release, please check the information is still current.

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<sup>3</sup> A definition of official statistics can be found at <https://www.statisticsauthority.gov.uk/about-the-authority/uk-statistical-system/types-of-official-statistics/>