

Consultation on changes to HMRC statistics publications

A public consultation issued by HMRC in October 2022

Comments from ACCA to HMRC
Ref: TECH-CDR-2026

16 January 2023

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

ACCA has a thriving community across the UK and Republic of Ireland including **106,000** members and **75,000** future members, who work across a wide range of sectors, regions, and business sizes. Our framework includes qualifications ranging from Levels 2 to 7. Through this we strive to uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations, and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

Further information about ACCA's comments on the matters discussed here can be requested from:

Glenn Collins
Head of Technical & Strategic
Engagement Relationships – UK

glenn.collins@accaglobal.com

Jason Piper
Head of Tax &
Business Law

jason.piper@accaglobal.com

Clíodhna Walsh
Senior Policy Manager – Policy &
Insights (UK, Europe, Eurasia,
Middle East and Americas)

clíodhna.walsh@accaglobal.com

ACCA



+44 (0)20 7059 5000



info@accaglobal.com



www.accaglobal.com



The Adelphi 1/11 John Adam Street London WC2N 6AU United Kingdom

ACCA welcomes the opportunity to comment on the proposals issued by HMRC. Broadly, the improvements appear to be reasonable in ‘tidying-up’ HMRC’s statistical publications.

We are glad to see that HMRC has taken on board the comments made by the Office of Statistical Regulation (OSR) in their report Strengthening the Quality of HMRC’s office statistics.

We echo the comments and concerns made to HMRC on 11 October 2022 in our response to the consultation Improving the data HMRC collects from its customers (Ref: TECH-CDR-2012).¹ “At the heart of these proposals lies the fundamental question: what is the role of HMRC?”² and ask that although HMRC has an important role as a data collector that is not its primary role, “it has a long-established role as assessor and collector of taxation, payments and customs in the United Kingdom”.³ Furthermore, in letters to the Prime Minister, the Chancellor and the Secretaries of State for Business, Energy and Industrial Strategy (BEIS), International Trade and Education in early September 2022 we commented that, “...we do not believe that HMRC can perform the functions of a tax collection agency, play a role in the benefits system, and act as a government data hub”.⁴ We would ask again “for both clarity of the remit for HMRC and appropriate investment in its resources to allow those to be carried out”.⁵

In HMRC’s Policy and Legal Framework: Disclosure of Information document it states: “HMRC is a statutory body with statutory functions and a statutory duty of confidentiality which are set out in legislation in the Commissioners for Revenue and Customs Act, (CRCA) 2005. It is the UK’s tax, payments and customs authority and its core purpose is to:

- collect the money to fund the UK’s public services
- help families and individuals with targeted financial support and
- through its customs service facilitate legitimate trade and protect the UK’s economic, social and physical security.”⁶

It is hoped the improvements lead to better administration of the tax system in addition to rising productivity and innovation, creating jobs and improving public services in line with the National Data Strategy (NDS).⁷

1. We would ask for greater clarity around the application of the principles-based approach

¹ <https://www.accaglobal.com/pk/en/technical-activities/technical-resources-search/2022/october/acca-response-hmrc-consultation-improving-data-collection.html>

² <https://www.accaglobal.com/pk/en/technical-activities/technical-resources-search/2022/october/acca-response-hmrc-consultation-improving-data-collection.html>

³ <https://www.accaglobal.com/pk/en/technical-activities/technical-resources-search/2022/october/acca-response-hmrc-consultation-improving-data-collection.html>

⁴ <https://www.accaglobal.com/pk/en/technical-activities/technical-resources-search/2022/october/acca-response-hmrc-consultation-improving-data-collection.html>

⁵ <https://www.accaglobal.com/uk/en/technical-activities/uk-tech/in-practice/2022/september/Letters-to-new-government-ministers.html>

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/209602/HMRC_s_Policy_and_Legal_Framework_08-05-13.pdf

⁷ <https://www.gov.uk/guidance/national-data-strategy>

and how that has been applied to each area?

2. Whether there is an overall strategy and transparent approach as to what is published, where it is posted and why?
3. There is one point in particular in the section 3.3 Reduction in coverage of publications under the heading Income Tax liabilities statistic, there is a reference to the word “**majority**”.

*“Therefore, the table becomes redundant as tax credits claims reduce to zero and the table in its current form no longer represents the **majority** of real family incomes and their tax burdens after tax credits.”*

The ordinary meaning of the word “**majority**” could mean 51%, which seems a vague parameter and not an appropriate tipping point at which not to provide the data any longer. We would question whether this is the appropriate threshold at which the data has become irrelevant and should no longer be published?

We would also ask for clarity around the full meaning of the data points in the commentary, for example, if there is a payment date for is this the date the payment is made? It would be useful that the data represents the ordinary meaning to a reasonable man. If this is not the case one would expect that the commentary makes reference to this point to add clarity to the data shown. Furthermore, if there are incidences where the data recorded is not matching with its ordinary definition, for example, the payment date is the authorisation date and there are further checks after this it would be more useful for the data to record the actual payment date and making changes to how the data is collected would improve transparency.

The ability to access the relevant data is important and indeed the integrity and veracity of that data is paramount to prevent issues such as those with the mismatch of R&D tax credits data collected by the Office of National Statistics (ONS) and HMRC in 2020⁸ or the error in the corporation tax data figures⁹ and improve both the actual and perception of trustworthiness.

Following all of the above points, we would welcome a more systematic approach to making changes to the statistical publications. Whereby the aim is clearly outlined, and a review team is assembled to engage with the appropriate stakeholders across a variety of mediums (meetings, surveys etc.) to determine the priorities which could be assessed against a list of criteria. In this way each of the changes can be measured methodically in a similar way. This approach was used for the review of local government finance statistics in April 2022 and appears to be in line with the Code of Practice for Statistics in meeting the overriding goal to ensure the data remains relevant for users. The approach was clearly outlined in terms of the aim, process and evaluation criteria. Reviews were carried out by user groups and key findings informed the recommendations in relevant areas making the process more worthwhile. The following evaluation criteria were used, and this approach would seem more systematic and could also be employed in this situation:

1. Feasibility
2. Benefits
3. Negative implications
4. Alignment with local and central government priorities

⁸ <https://www.linkedin.com/pulse/how-15-billion-revision-uk-rd-statistics-could-change-rufus-meakin/>

⁹ https://osr.statisticsauthority.gov.uk/wp-content/uploads/2020/05/Strengthening_the_quality_of_HMRC_Statistics_Review_Report.pdf

5. Burden on authorities
6. Compatibility with other proposed changes

Whilst we acknowledge the benefits of these proposals by prioritising the resource utilisation at HMRC, providing more reliable data to HMRC and other central government bodies and streamlining the process, we would stress the need for any changes to be made following consultation with all users and with due consideration to mitigate any potential long-term impacts on the wider economy that may reduce the ability for effective and timely forecasting. Once a data series has been corrupted the value of the data is reduced to nil or can, in fact, become harmful and we would ask that due consideration should be given to the potential long-term impacts on the wider economy. For example, regional data would provide useful data towards the 'Levelling Up' Agenda.

Any changes must take into account the different types of user and application ranging from citizen enquiries, business decision-making, and analysts across a wide range of areas. As such, the form and content of publications need to continue to be sensitive to these diverse needs which depend on different formats, levels of detail, needs around customisability, and packaging of data. Any preference for DIY-type solutions must support the overarching objective of quality alongside transparency and accessibility to enable insight.

Interactive dashboards are a welcome addition as they allow for greater customisation and accessibility, but these should not supplant easy access to time series data. Keeping the availability of data in machine-readable formats is a positive and important guarantee.

Where there are suggestions to reduce certain publications, HMRC must be sure that this is done on the basis of redundancy avoiding wherever possible and, at minimum, limiting any impact on the depth of potential understanding. We would recommend that all data is continued for openness and transparency in this area and to be signposted appropriately.

Recently the decision to postpone the implementation of Making Tax Digital (MTD) has been well received and should reduce the pressure on customer service that currently exists. We would ask whether these proposals have been considered in conjunction to the changes in data provision that MTD will bring.

We believe any changes to availability of the data should be phased in on a transitional basis to ensure the users of the data have continuity and consistency. The process of data collection, analysis and presentation is also important with the potential of admin sources to supplement data capture and if captured to explain to those supplying the data what it is used for. We see presentation and accessibility as being paramount with machine readable format including data visualisations and links to metadata which can increase transparency and enable mapping of the data and alignment.

Accessibility, comparability and interoperability are important factors when looking at data and the integrity of the data is paramount to improve public confidence and trust.

Given the volatile, uncertain, complex and ambiguous (VUCA) environment we are now working in, it is increasingly important for the data and data systems to become more adaptable and agile. We refer to a project ACCA carried out which was published in 2018 titled "Tax as a Force for Good: rebalancing our tax systems to support a global economy fit for the future"¹⁰ which looked at whether the tax system could be moved from a reliance on labour tax to an environmental tax base. Where the data is available and trustworthy, further analysis into such theories could be

¹⁰ <https://www.accaglobal.com/lk/en/professional-insights/global-profession/environmental-tax.html#:~:text=Considering%20the%20challenges%20societies%20are,risk%20from%20becoming%20irreversible%20reality.>

carried out enabling policymakers to consider alternative options to meet the UN SDGs for example.