

Sam Ashworth-Hayes
infacts.org
[by email]

6 May 2016

Dear Mr Ashworth-Hayes,

Thank you for your email of 22 April to colleagues in ONS about the presentation of table 9.9 of the Pink Book “UK official transactions with institutions of the EU”. Sir Andrew Dilnot has also passed me correspondence he has received that raises similar issues.

Your particular concern is that the presentation of table 9.9 does not make it clear that the ‘total debits’ line does not adjust for the UK’s rebate. More specifically, to be clear that this gross contribution before the rebate is not paid to the EU, but rather the gross contribution after the rebate. I thought you might find it helpful if I was to set out our thinking on the issue, and some practical next steps.

The purpose of table 9.9 is to set out all the components of the UK’s official transactions between the UK public sector and the EU. We think it is important to be clear about the different elements of the UK’s net contributions. Moreover, the table follows the conventions used in the rest of the national accounts and balance of payments in terms of ‘credits’ and ‘debits’. Table 9.9 does not intend to explain how the cash flows between the UK and the EU. The net position, which is aligned with statistics on the UK public finances, is unaffected by the presentation of the debits and credits.

The ONS and UK Statistics Authority have been on the record clarifying how these data should be interpreted, and specifically that the UK pays its contributions after the application of the rebate, in Sir Andrew Dilnot’s letter of 15 April¹.

As you may be aware, the ONS is planning to publish some ‘UK Perspectives’ articles on 25 and 26 May². We are currently planning to cover the issue of the UK’s contributions to the EU in those articles. This will set out many of the figures that have been quoted and explain what they mean, including how the UK’s rebate works. We think this will be a good vehicle for explaining the situation.

¹ <https://www.statisticsauthority.gov.uk/correspondence/eu-contributions-2/>

² The pre-announcement can be found at <https://www.ons.gov.uk/releases/ukperspectivespart12016> and <https://www.ons.gov.uk/releases/ukperspectivespart22016>

For future publications of the Pink Book, we will also add a footnote to table 9.9 clarifying the point that payments are made to the EU after the rebate has been applied.

I hope this is helpful, and am copying this letter to Sir Andrew Dilnot and to colleagues here in the ONS.

A handwritten signature in black ink, appearing to read 'Jonathan Athow', with a stylized flourish at the end.

Jonathan Athow

Deputy National Statistician and Director General, Economic Statistics | Office for National Statistics