

Dame Angela Eagle MP
House of Commons
(via email)

19 February 2024

Dear Dame Angela,

Thank you for your correspondence regarding comments made by Treasury ministers on changes in personal taxation. Specifically, you expressed concern that:

- On 8 January 2024, Bim Afolami MP, Economic Secretary to the Treasury, stated on the BBC Radio 4 Today Programme that “taxes are coming down”, adding that for “an average earner on £35,000 a year, they will be £450 better off as a result.”
- On 22 November 2023, Laura Trott MP, Chief Secretary to the Treasury, told the House of Commons, “I am sure the hon. Lady will be interested to know that taxes for the average worker have gone down by £1,000”.¹ On 30 November she said that “taxes for the average worker will have gone down by £1,000 since 2010”.²

Mr Afolami made his comment on the first working day after the cut in the main rate of employees’ National Insurance Contributions (NICs) from 12 to 10 per cent took effect and he could reasonably have been assumed to be referring to that change specifically. He was not as explicit about that as he could have been, but the interviewer immediately put this in the context of broader personal tax changes and trends, and so the listener is unlikely to have been misled.

I suspect that the public are more likely to have been misled – or at least confused – by Ms Trott’s statements, both of which would probably suggest to a typical listener that the average worker’s overall tax bill has fallen in cash terms. But, as set out in a press statement issued on the day that the NICs cuts took effect, the Treasury has provided two figures of similar magnitude (£1,000) to illustrate the impact of the NICs cut which led to some confusion.³

- First, taking the NICs change in isolation, it has argued that the cut in the main rate “puts £450 back in the pocket of the average worker” (in fact £456.60 for an average worker on £35,404 [gross mean annual pay across the UK from ASHE table 7.7a]) and that a household with two average salaries will thus save “nearly £1,000” (in fact £913.20).
- Second, the combined impact of the NICs change and above-inflation increases to tax thresholds since 2010 means that “the average earner [as above, earning

¹ [Autumn Statement Resolutions - Hansard](#)

² [National Insurance Contributions \(Reduction in Rates\) - Hansard](#)

³ [£1,000 yearly tax cut for households from today - GOV.UK](#)

£35,404] will pay over £1,000 less in personal taxes in 2024-25 than they otherwise would have done”, not than they did in 2010.

Given that Ms Trott referred to an average worker rather than an average household, I presume she was using the latter definition.

Debating points in the House are often necessarily succinct and shorn of some nuance, as you will appreciate. But to maintain trust and confidence in their statements, and to avoid the need for subsequent clarification, Ministers and other members need to consider how a typical listener is likely to understand what they say. This is perhaps especially important when they are provided with ‘round number’ talking points derived from very specific methods of calculation.

The Office for Statistics Regulation is increasing its engagement with government departments, including HM Treasury, to ensure future communications do not have the potential to mislead and comply with the principles of intelligent transparency.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sir Robert Chote', with a horizontal line underneath the name.

Sir Robert Chote
Chair