

5 October 2023

# What's the real impact of Chancellor's job-cuts threat in HMRC?

Chancellor Jeremy Hunt has threatened to get staffing back to pre-pandemic levels by cutting 66,000 civil service jobs; but in HMRC, the second largest department, our headcount is only around 2,500 higher than in early 2020.

During his speech to the Tory Party Conference, chancellor of the exchequer Jeremy Hunt announced plans to cut civil service numbers to “pre-pandemic levels”, in an echo of the Boris Johnson speech given in 2022, where he threatened to slash 91,000 jobs across the service.

## **‘With friends like these...’**

When the chancellor says in his speech that **“We have the best civil servants in the world - and they saved many lives in the pandemic by working night and day...”** you might be forgiven for thinking we might be in for a change from the usual government rhetoric attacking their own staff.

Sadly not. In a heartbeat, Jeremy Hunt moved on to say:

**“...but even after that pandemic is over, we still have 66,000 more civil servants than before...so today I’m freezing the expansion of the civil service and putting in place a plan to reduce its numbers to pre-pandemic levels.”**

The message is clear:

‘Thanks for saving lives and keeping the economy afloat; but now the pandemic is over, we think there’s political capital in sacking tens of thousands of you’.

Additionally, what we learned from the fallout of last year’s Johnson speech, is that the government quickly worked-out that the likely effect of ‘returning to pre-pandemic levels’ across the civil service, is that the largest government

departments would be expected to take the biggest hit, even if their staffing figures don't differ wildly from those pre-pandemic numbers.

For example: according to the headcount figures published on the Gov.UK website, in [January 2020](#), in HMRC Main the payroll headcount was **64,562**; with a further **3,508** in the VOA. In [August 2023](#) the payroll headcount in HMRC Main was **66,999**, with a further **3,636** in the VOA. So, if in HMRC and VOA, the number of staff on payroll is only **2,565** higher than it was on the eve of the pandemic; and we're comfortably the second largest government department, where's the 66,000 job cuts coming from?

The chancellor couldn't resist attacking equality and diversity. He seems to think there are too many equality and diversity staff, despite the fact that according to the latest government statistics, [we've still got a 9.6% gender pay gap in the civil service](#), and we still have [a lower proportion of workers from an ethnic minority background than the working age population in the UK](#).

Another recurring theme was the familiar refrain about even greater scrutiny of benefit claimants (although, given it's the role of civil servants in the DWP to administer the benefits system, it's unclear how his government is going to cut staff and still be able to manage all this additional scrutiny - especially if more of the [billions of pounds of unclaimed benefits](#) starts getting claimed).

That was Monday; and it was still going on at the Tory Party conference on Tuesday, with home secretary Suella Braverman saying the Tories are the only party who will take "effective action" on migration. That's a bit rich when we all know that the only "effective action" that can be taken, is to recruit enough Home Office staff to fairly and promptly process asylum applications.

But again, that would mean more civil servants, not fewer; and that's hardly in keeping with the chancellor's job-cutting speech. The Tories much prefer to spend unspeakable amounts of Taxpayers' money on [empty flights to Rwanda](#); and [Legionella-ridden, Victorian-style Prison Hulks](#). That way it keeps their Party faithful cheering.

## **HMRC's response**

As you would expect, the department has issued an initial response, saying that HMRC will meet the reduction to pre-pandemic level staff by March 2025; and that we're changing the way we're working - with less reliance on phones and more being done digitally.

Obviously, the main way that the public choose to contact HMRC is still predominantly by phone; so there's a giant chunk of Taxpayers who will need to be convinced, if this "digital by default" approach is to become more than a slogan.

### **Speaking-up for you**

PCS will continue to be your voice in the workplace, in the face of the latest government threat to Civil Service jobs. The union's national leadership team will continue to take the case to the government centrally; whilst here in HMRC, we will engage with management in the department, in order to safeguard your jobs and conditions of service.

We'll keep you fully informed of developments.

### **Join PCS**

As your trade union, PCS continues to negotiate with HMRC to stand-up for your interests. If you've read this briefing and you aren't yet a member of PCS, then you should [join today](#).