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# HMRC and Treasury slated in Public Accounts Committee report

The House of Commons' Public Accounts Committee has blamed conscious decisions by HMRC and the Treasury, for HMRC's customer service hitting what the committee described as "an all-time low"

The House of Commons Select Committee for Public Accounts ("Public Accounts Committee") has issued a scathing report which left little to the imagination in its criticism of both HMRC and the Treasury, regarding what MPs described as customer services in HMRC hitting "an all-time low"

The report highlighted a number of ongoing issues that PCS members will easily recognise. It expressed disappointment in the continued deterioration of services since the last report was published in January 2023, with 62.7% of calls now waiting for over 10 minutes to speak to an advisor - marking a five-year decline.

The committee's report emphasised the unprecedented number of written submissions MPs had received regarding HMRC's performance; reflecting taxpayers' frustration with the quality of services and its impact on businesses. The committee noted that taxpayers strive to comply with tax obligations, but HMRC's systems and decision to close customer support channels, have exacerbated the challenges they face.

## **Plenty of blame to go round**

The report recognised that HMRC was not the only department to blame for the decline in service, noting that the Treasury has restricted HMRC's resources, hindering the department's ability to meet the increasing demand in operational areas such as Customer Services Group (CSG).

With an attrition rate exceeding 14%, members are under pressure to accomplish more with fewer resources. The introduction of tools like Workforce Management (WFM) and the Advisor User Interface (AUI) has led to a rise in managers utilising monitoring tools to excessively monitor staff, in pursuit of challenging Key

Performance Indicators. This practice, prevalent across HMRC, and in particular in CSG, has resulted in nothing less than oppressive micromanagement within directorates, and has been used to try to compromise members' contractual rights to flexible working.

HMRC faces difficulties in attracting and retaining staff, further exacerbating resource shortages and impacting service delivery. The shift of emphasis towards digital solutions over traditional telephony methods, has raised concerns among PCS members. Members are concerned that vulnerable individuals may face barriers to engaging with HMRC because of “digital exclusion”.

Of greater concern is the rise in error and fraud rates, due to the problems with the public engaging with HMRC. The latest estimate for 2021 indicates that errors and fraud amount to £1.1 billion, three times higher than previously believed.

#### **Alternative plans**

The adoption of digital solutions has yet to deliver any real productivity gains, leaving HMRC to consider other plans in various operational sectors of HMRC, such as PT Operations. These include attempts to introduce working patterns such as their new Annualised Hours pilot, where HMRC would be given full control over the working schedules of staff members - as if the contractual right to Flexible Working Hours HMRC agreed to under Pay and Contract Reform, was some kind of nightmare that they think they'll be able to wake up from.

Under the plans, you're contracted for a specific number of hours over the course of the year; and you must adhere to HMRC's scheduling. You wouldn't be permitted to participate in flexible working arrangements until you've completed your annual hours. In return for this bonfire of your flexibility, HMRC has proposed an additional payment which for most staff, amounts to less than £5 a week (before tax). Needless to say, this has not proved popular and the derisory number of volunteers has left the department with no choice but to rely entirely on a small number of fixed-term, new recruits.

#### **Summary**

The Public Accounts Committee's report pretty much matches the concerns raised by PCS over the past decade. HMRC's failure to proactively plan, and its failure to treat its employees with dignity, driven by the Treasury's delusion that you can somehow get a litre of water out of a pint pot, has pushed HMRC to a critical juncture - one where urgent action is required. Sadly, all too often that “urgent

action” is defined by the government as “trying to do more with less”; and it’s unclear how many more times that mantra needs to crash and burn, before someone in authority stops using it.

PCS remains committed to fighting for the rights of our members; and we’ll persist in arguing for enough resources to properly run a department whose vital work affects everyone in the land; both as taxpayers and as users of the essential public services, the money which HMRC brings in helps to provide.