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# HM Revenue and Customs

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## Introduction

1. This Estimate covers expenditure and income of HM Revenue and Customs (HMRC) including its executive agency the Valuation Office (VOA). Our aim is to administer the tax system efficiently and in an even-handed way, making it easy for customers to get things right, helping individuals to get targeted financial support and other entitlements. Our key objectives are to improve the extent to which individuals and businesses pay the tax due and receive the credits and payments to which they are entitled, to improve customers' experience and reduce their cost of dealing with us, and to reduce our costs by shaping our services so they are as low cost as possible.
2. We are responsible for collecting the bulk of tax revenue. We manage: Income; Corporation; Capital Gains; Inheritance; Insurance Premium; Stamp and Petroleum Revenue taxes; Value Added Tax (VAT); Excise and Customs duties; Environmental taxes - Climate Change and Aggregates Levies, Landfill Tax and Air Passenger Duty; National Insurance Contributions; Bank Levy; Tax Credits; Child Benefit and the Child Trust Fund; Health in Pregnancy Grant; enforcement of the National Minimum Wage; recovery of Student Loan repayments, statutory payments and providing the Contracts Finder portal.
3. The VOA is responsible for setting and maintaining the basis for Council Tax, Non-Domestic Rating, Fair Rents, Housing Benefit, Local Housing Allowance, payment of Local Authority Rates on behalf of accredited foreign countries, and provides property services to central and local government clients.

**Part I**

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	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource	3,396,571,000	313,613,000	3,710,184,000
Capital	185,570,000	-	185,570,000
<b>Annually Managed Expenditure</b>			
Resource	11,966,224,000	31,687,984,000	43,654,208,000
Capital	2,000,000	-	2,000,000
<b>Total Net Budget</b>			
Resource	15,362,795,000	32,001,597,000	47,364,392,000
Capital	187,570,000	-	187,570,000
<b>Non-Budget Expenditure</b>	-		
<b>Net cash requirement</b>	<b>15,287,812,000</b>		

Amounts required in the year ending 31 March 2014 for expenditure by HM Revenue and Customs on:

**Departmental Expenditure Limit:**Expenditure arising from:

Administration and the associated non-cash items incurred in the management and collection of the direct and indirect taxes, duties and levies, Tax Credits and National Insurance Contributions; Child Benefit and the Child Trust Fund; Shipbuilders' Relief; Money Laundering regulatory regime; Spirit Drinks Verification Schemes; the National Insurance Funds for Great Britain and Northern Ireland; OPG (Government Banking Service); Health in Pregnancy Grant; National minimum wage; collection of student loans; the operation of customs controls including prohibitions and restrictions; the provision of trade information;

the provision of resources to independent investigatory bodies (including the HMIC, IPCC and the police authorities) to facilitate the independent inspection of professional standards within the Department, the investigation of allegations of mis-conduct or criminal activities by Departmental staff and fulfilment of reciprocal complaints investigation arrangements with police authorities; payments in respect of the HM Revenue & Customs National Museum; support including providing grants to the voluntary and community sector; providing the Contracts Finder portal; air travel carbon-offsetting; services to support the Welfare Reform Agenda; funding the Adjudicator's Office; services to lenders as part of the Mortgage Income Verification scheme; contributions under the Next Generation HR Programme; structural organisational change;

services provided to the department's information technology and wider markets' suppliers; other departments and public bodies including any assistance with investigations into terrorist incidents; overseas tax administration and the activity in support of Border Force; administration and the associated non-cash items incurred by the Valuation Office Agency in the provision of rating and council tax valuation work in England and Wales, housing benefits work in England, providing valuation and property management services to central government and other bodies where public funds are involved; providing shared services and the introduction of Universal Credits and Scottish Devolution and services provided in administering work on devolved taxes and duties.

Income arising from:

The recovery of law costs; recovery of the costs of administering the National Insurance Funds and collection of National Insurance contributions; services provided to the Valuation Office Agency, government departments and other bodies including student loan, Welfare Reform Agenda and National Minimum Wage receipts; recovery of costs in respect of the Aggregates levy and of seconded and loan staff; charges for the special attendance of officers and for international commitments; the sale of information and publications; the sale of statistical services and certificates; estate management services, including rent receipts from tenants; the use of certain official cars;

the EU including travelling expenses; Shipbuilders' Relief; insurance and compensation claims; the Asset Recovery Incentivisation scheme; marine fuel relief; transaction fees from credit card payments; the money laundering regulatory regime; recoveries of overpayments in prior years; excess cash receipts; the Mortgage Income Verification scheme; Spirit Drinks Verification Schemes; work for public sector bodies clearing import and export consignments; the sale of assets; the recovery of costs of valuation and other services; other miscellaneous administration and programme cost receipts; providing shared services and from the services provided in administering work on devolved taxes and duties; the recovery of costs of OPG (Government Banking Service) and work associated with Universal Credits and Scottish Devolution.

**Annually Managed Expenditure:**Expenditure arising from:

Provisions movements; losses on revaluation of assets; write off of bad debts; incentive payments for filing; transitional payments to charities, personal pensions relief, life assurance premium relief and residual payments for mortgage interest relief; rates paid by Her Majesty's Revenue and Customs in respect of non-domestic property occupied by accredited representatives of Commonwealth and foreign countries and certain international organisations; Child Benefit; Child Trust Fund endowments; Health in Pregnancy Grant; Tax Credits and other reliefs; and associated non-cash items.

Income arising from:

Payment of rates by accredited representatives of Commonwealth and foreign countries and certain international organisations; refunds from local authorities.

**HM Revenue and Customs** will account for this Estimate.

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	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
<b>Departmental Expenditure Limit</b>			
Resource	3,396,571,000	1,521,018,000	<b>1,875,553,000</b>
Capital	185,570,000	67,516,000	<b>118,054,000</b>
<b>Annually Managed Expenditure</b>			
Resource	11,966,224,000	5,705,692,000	<b>6,260,532,000</b>
Capital	2,000,000	2,250,000	<b>-250,000</b>
<b>Non-Budget Expenditure</b>	-	-	-
<b>Net cash requirement</b>	<b>15,287,812,000</b>	<b>7,188,291,000</b>	<b>8,099,521,000</b>

## Part II: Subhead detail

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2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
<b>Spending in Departmental Expenditure Limits (DEL)</b>										
<b>Voted expenditure</b>										
909,184	-99,700	809,484	2,826,531	-239,444	2,587,087	186,370	-800	185,570	3,357,983	203,939
<i>Of which:</i>										
A HMRC Administration										
847,439	-99,700	747,739	2,593,394	-26,307	2,567,087	177,836	-800	177,036	3,303,612	196,077
B Departmental Unallocated Provision										
36,887	-	36,887	-	-	-	1,222	-	1,222	-	-
C VOA Administration										
-	-	-	213,137	-213,137	-	7,312	-	7,312	2,000	7,862
D Utilised Provisions										
24,858	-	24,858	20,000	-	20,000	-	-	-	52,371	-
<b>Non-voted expenditure</b>										
70,487	-	70,487	243,126	-	243,126	-	-	-	332,949	-
<i>Of which:</i>										
E National Insurance Fund										
70,487	-	70,487	243,126	-	243,126	-	-	-	332,949	-
<b>Total Spending in DEL</b>										
979,671	-99,700	879,971	3,069,657	-239,444	2,830,213	186,370	-800	185,570	3,690,932	203,939
<b>Spending in Annually Managed Expenditure (AME)</b>										
<b>Voted expenditure</b>										
-	-	-	11,969,911	-3,687	11,966,224	2,000	-	2,000	12,392,097	5,500
<i>Of which:</i>										
F Social Benefits and Grants										
-	-	-	11,792,000	-	11,792,000	2,000	-	2,000	12,300,000	5,500
G Providing payments in lieu of tax relief to certain bodies										
-	-	-	127,433	-	127,433	-	-	-	63,800	-
H Filing Incentive Payments										
-	-	-	42	-	42	-	-	-	58	-
I HMRC Administration										
-	-	-	30,001	-	30,001	-	-	-	30,001	-
J VOA - Payments of rates to LAs on behalf of certain bodies										
-	-	-	67,292	-3,687	63,605	-	-	-	56,108	-
K VOA Administration										
-	-	-	1	-	1	-	-	-	1	-
L Utilised Provisions										
-	-	-	-46,858	-	-46,858	-	-	-	-57,871	-

## Part II: Subhead detail

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2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme			Gross	Income	Net	Net	Net
Gross	Income	Net	Gross	Income	Net					
1	2	3	4	5	6	7	8	9	10	11
<b>Non-voted expenditure</b>										
-	-	-	31,687,984	-	31,687,984	-	-	-	31,116,008	-
<i>Of which:</i>										
M Personal Tax Credit										
-	-	-	30,027,000	-	30,027,000	-	-	-	30,360,000	-
N Other Reliefs and Allowances										
-	-	-	1,660,984	-	1,660,984	-	-	-	756,008	-
<b>Total Spending in AME</b>										
-	-	-	43,657,895	-3,687	43,654,208	2,000	-	2,000	43,508,105	5,500
<b>Total for Estimate</b>										
979,671	-99,700	879,971	46,727,552	-243,131	46,484,421	188,370	-800	187,570	47,199,037	209,439
<i>Of which:</i>										
<b>Voted Expenditure</b>										
909,184	-99,700	809,484	14,796,442	-243,131	14,553,311	188,370	-800	187,570	15,750,080	209,439
<b>Non Voted Expenditure</b>										
70,487	-	70,487	31,931,110	-	31,931,110	-	-	-	31,448,957	-

## Part II: Resource to cash reconciliation

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
<b>Net Resource Requirement</b>	<b>47,364,392</b>	<b>47,199,037</b>	<b>46,485,613</b>
<b>Net Capital Requirement</b>	<b>187,570</b>	<b>209,439</b>	<b>306,475</b>
<b>Accruals to cash adjustments</b>	<b>-262,553</b>	<b>43,432</b>	<b>-94,842</b>
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-239,002	-227,077	-208,026
New provisions and adjustments to previous provisions	-30,000	-30,000	-14,376
Departmental Unallocated Provision	-38,109	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-2,300	-2,300	-14,804
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-438
Increase (+) / Decrease (-) in debtors	-	129,735	-
Increase (-) / Decrease (+) in creditors	-	115,203	-
Use of provisions	46,858	57,871	142,802
<b>Removal of non-voted budget items</b>	<b>-32,001,597</b>	<b>-31,448,957</b>	<b>-30,889,387</b>
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-32,001,597	-31,448,957	-30,889,387
<b>Net Cash Requirement</b>	<b>15,287,812</b>	<b>16,002,951</b>	<b>15,807,859</b>

## Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Administration Costs	917,926	1,033,870	1,010,479
<i>Less:</i>			
Administration DEL Income	-99,700	-103,300	-89,760
<b>Net Administration Costs</b>	<b>818,226</b>	<b>930,570</b>	<b>920,719</b>
Gross Programme Costs	46,754,410	46,547,058	45,947,733
<i>Less:</i>			
Programme DEL Income	-239,444	-269,947	-292,625
Programme AME Income	-3,687	-3,144	-2,846
Non-budget income	-200	-200	-1,100
<b>Net Programme Costs</b>	<b>46,511,079</b>	<b>46,273,767</b>	<b>45,651,162</b>
<b>Total Net Operating Costs</b>	<b>47,329,305</b>	<b>47,204,337</b>	<b>46,571,881</b>
<i>Of which:</i>			
Resource DEL	3,628,439	3,638,561	3,649,275
Capital DEL	-	-	-
Resource AME	43,701,066	43,565,976	42,923,706
Capital AME	-	-	-
Non-budget	-200	-200	-1,100
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	36,887	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	200	200	1,100
Other adjustments	-2,000	-5,500	-86,255
<b>Total Resource Budget</b>	<b>47,364,392</b>	<b>47,199,037</b>	<b>46,485,613</b>
<i>Of which:</i>			
Resource DEL	3,710,184	3,690,932	3,705,546
Resource AME	43,654,208	43,508,105	42,780,067
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
<b>Total Resource (Estimate)</b>	<b>47,364,392</b>	<b>47,199,037</b>	<b>46,485,613</b>

## Part III: Note B - Analysis of Departmental Income

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	2013-14 Plans	2012-13 Provision	2011-12 Outturn
<b>Voted Resource DEL</b>	<b>-339,144</b>	<b>-373,247</b>	<b>-382,385</b>
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-99,700	-103,300	-88,623
<i>Of which:</i>			
Section A: HMRC Administration	-99,700	-103,300	-88,623
Other Income	-	-	-1,137
<i>Of which:</i>			
Section A: HMRC Administration	-	-	-1,137
Total Administration	-99,700	-103,300	-89,760
Programme			
Sales of Goods and Services	-239,444	-269,947	-290,504
<i>Of which:</i>			
Section A: HMRC Administration	-26,307	-64,343	-86,272
Section C: VOA Administration	-213,137	-205,604	-204,232
Other Income	-	-	-2,121
<i>Of which:</i>			
Section A: HMRC Administration	-	-	-2,003
Section C: VOA Administration	-	-	-118
Total Programme	-239,444	-269,947	-292,625
<b>Voted Resource AME</b>	<b>-3,687</b>	<b>-3,144</b>	<b>-2,846</b>
<i>Of which:</i>			
Programme			
Sales of Goods and Services	-3,687	-3,144	-2,846
<i>Of which:</i>			
Section J: VOA - Payments of rates to LAs on behalf of certain bodies	-3,687	-3,144	-2,846
Total Programme	-3,687	-3,144	-2,846
<b>Total Voted Resource Income</b>	<b>-342,831</b>	<b>-376,391</b>	<b>-385,231</b>
<b>Voted Capital DEL</b>	<b>-800</b>	<b>-1,200</b>	<b>-1,369</b>
<i>Of which:</i>			
Programme			
Sales of Assets	-800	-1,200	-1,369
<i>Of which:</i>			
Section A: HMRC Administration	-800	-1,200	-1,208
Section C: VOA Administration	-	-	-161
Total Programme	-800	-1,200	-1,369
<b>Total Voted Capital Income</b>	<b>-800</b>	<b>-1,200</b>	<b>-1,369</b>



### Part III: Note C - Analysis of Consolidated Fund Extra Receipts

In addition to income retained by the Department the following income is payable to the Consolidated Fund:

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	2013-14 Plans		2012-13 Provisions		2011-12 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Income in budgets surrendered to the Consolidated Fund (resource)	-	-	-	-	-	-
Income in budgets surrendered to the Consolidated Fund (capital)	-	-	-	-	-	-
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)	-200	-200	-200	-200	-1,100	-1,100
<b>Total</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>	<b>-1,100</b>	<b>-1,100</b>

#### Detailed description of CFER sources

£'000

	2013-14 Plans		2012-13 Provisions		2011-12 Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
<b>Non-Budget</b>						
Bank Interest and Compensation	-200	-200	-200	-200	-1,100	-1,100
<b>Total</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>	<b>-200</b>	<b>-1,100</b>	<b>-1,100</b>

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## Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

<b>Accounting Officer:</b>	Lin Homer
<b>Additional Accounting Officer:</b>	Penny Ciniewicz, Chief Executive of the Valuation Office Agency for Sections C, J, K

Lin Homer has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRoM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s), and with their Ministers, together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal/Additional Accounting Officer and the NDPB Accounting Officer(s) is set out in writing.