

HM Revenue & Customs

"HMRC is challenging itself about the way we work, the pace we work at and the skills we need now and in the future in order to deliver an effective, cost-efficient and exceptional customer-focused service."

- Lin Homer, Chief Executive

Departmental Programme and Administration Budgets 2010/11 - 2014/15 (resource DEL excluding depreciation represented as % cumulative real growth):	-15%
Total FTE Reduction between Q2 2010 - Q1 2013:	-6% (-4,250 FTE) ¹
Employee Engagement Index in 2012 (CS benchmark 58%):	41% (up 2 percentage points on 2011)

Progress against department-focused actions in the Reform Plan

Action 2: Digital by Default	HMRC's Digital Strategy was published in December 2012. Four exemplar digital projects are in progress: PAYE online, Paperless self assessment, Tax for My Business and Agent online self-service. A prototype for the first service, Tax for My Business, has been completed and is undergoing user testing.
Actions 3 and 4: Shared and Sharing Services	Due to our size, we operate as a standalone Shared Services Centre within the Next Generation Shared Services and in 2012/13 benchmarked the third lowest cost per employee at £479. A shared communications hub is in place with DWP and employment law services are transferring to TSol. We also implemented a group structure with other government departments ahead of deadline for the Internal Audit Transformation Programme.
Action 5: Open Policy Making	Our new tax policy making model is in place, with a range of consultation mechanisms built in. In 2012/13, we ran 29 formal consultations and are currently consulting on 14 tax measures. We also consulted on 85% of this year's Finance Bill to strengthen the quality of legislation. There is a Programme in place to integrate a range of techniques such as horizon scanning, behavioural insight and digital design into tax policy making. HMRC has not yet submitted a bid to the Contestable Policy Fund but is considering the potential for future bids.
Action 6: Matching Resources to Government Priorities	Structured governance is in place to gather and impact resourcing data. Change requests for meeting ministerial priorities are overseen by Executive Committee, Non-Executive Directors and the Chief Secretary to the Treasury.
Action 9: Management Information	The Quarterly Data Summary (QDS) completion rate for Q3 was 85%. The QDS helps the taxpayer to see how the government spends its money. Our Board reviews a monthly report of financial and operational performance data.

¹ Includes HM Revenue and Customs and Valuation Office

Action 12: Skills, Learning and Development	HMRC has adopted the new Civil Service Competency Framework . We offer 5 days of learning and development to all staff. 95% of staff (including agencies) have signed-up to Civil Service Learning. The Civil Service Capabilities Plan was launched in HMRC in April 2013. We are currently developing our own Capabilities Plan to implement alongside this, which will focus on strengthening areas such as Operational Delivery and Tax Professional capability.
Action 14: Secondments and Interchanges	In 2012/13, HMRC seconded five senior staff to overseas governments or other international institutions. In addition we have arranged a further secondment to the private sector as part of the new Cabinet Office/Whitehall Industry and Group secondment framework.
Action 16: Departmental Improvement Plans	HMRC was one of the five pilot departments. Our first Improvement Plan was published in June 2013.
Action 17: Creating a Modern Employment Offer	HMRC has adopted the new performance management framework. The new Terms and Conditions for new staff and promotees were implemented in May 2013. Additional HR policies are under review.
Creating a Modern Workplace	The total size of our estate has been reduced from a starting point of over 1.6 million m ² in 2005, to below 1 million m ² . We have also improved space utilisation from 14.4 m ² /FTE to 13.8 m ² /FTE despite headcount reductions. We recently ran a staff survey to understand the culture, appetite, attitudes and barriers to flexible and mobile working within HMRC. The results showed high levels of demand to work in a new way and we are actively following up on results, so that our workplaces and policies will be designed with these inputs.

Wider reform in HMRC:

HMRC has delivered substantial and in some cases record performance since 2010. Using the £917 million reinvestment awarded in SR10, HMRC has exceeded additional revenue targets for three years running, beating by £2 billion the 2012/13 target, to secure £20.7 billion in additional yield. £2 billion of this was brought in using HMRC's groundbreaking data analytics tool, Connect. It has achieved this while meeting its 15% cost reduction targets, reducing headcount by 6% to 64,476, scaling back its estate and reducing IT costs.

HMRC has also turned around its customer service performance: clearing 17.9 million PAYE legacy cases in two years to bring PAYE up to date for the first time; also meeting for the first time ever the 80% target post turnaround in 15 days; achieving the average 75% call handling target for 2012/13, and reaching 90% during the latter months of the year. Increasing digitisation delivered record online Self Assessment filing in 2012/13 and new online services for businesses.