



Public Accounts Committee

Jim Harra
Chief Executive and Permanent Secretary
HM Revenue & Customs
100 Parliament Street
London
SW1A 2BQ

3 November 2022

Treasury Minute response- HMRC's management of tax debt (48th Report Session 2021-22)

Dear Permanent Secretary,

Thank you for the [Government's response](#) to the Committee's 48th Report of Session 2021-22 entitled, [HMRC's management of tax debt](#).

I was pleased to see that you accepted all of the Committee's recommendations and to hear of some of the positive steps that your department has taken. However, we felt that, for several recommendations, you had not provided the evidence we requested or implemented specific actions we recommended, or explained the reasons why you haven't done so. Specifically:

- **Recommendation 1:** You agreed to provide a plan to tackle increased debt levels but did not address specific points raised by the Committee. In particular, you did not provide long-term forecasts of tax debt or the financial year that tax debts written off and remitted in each of the past five years were incurred. It was not clear to us whether these things would be included in the upcoming plan: if not, we would like you to write to us providing them.
- **Recommendation 3a and 3b:** You have not yet provided information about the number of rogue companies or the value of tax at risk, though these were expected the end of May. You also did not commit to reporting the number of prosecutions but said you would explore doing so. We would like to be kept informed of the outcome of this exploratory work.
- **Recommendation 4:** You did not provide HMRC's expenditure on its single customer record so far, or whether the funding from Spending Review 2021 will be sufficient to complete this work. You did say you would provide some further information about the single customer record (Single Customer Account and Unique Customer Record), please include total expenditure since the work began – more than a decade ago – and expected expenditure alongside this information.
- **Recommendation 6:** You said HMRC would refine its training and guidance for staff to help them identify, support and refer vulnerable people in debt. Please would you provide more detail of what this will involve. You also said HMRC would identify (rather than commission or



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undertake) independent research to estimate how many vulnerable people are affected by tax debt and how effectively HMRC identifies them: please would you write to us with the findings of this research and how it will be used to improve performance.

I appreciate that departments have been asked to keep their Treasury Minute responses concise and to the point, but brevity should not be at the expense of clarity and assurance as to how departments are directly addressing our concerns.

Please write back to me by the **end of the month**, either responding to our recommendations, or explaining why you haven't been able to.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

Yours sincerely.

DAME MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS