



Public Accounts Committee

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Treasury Minute response – COVID employment support schemes

Dear Permanent Secretaries,

Thank you for the response to the Committee's report on Covid employment support schemes. I am pleased to see that the full evaluations of the schemes will finally be published this year, and that they will include an assessment of how much support went to those not adversely affected, alongside evidence from the experience of other countries' schemes. However, I am disappointed that you seem to be making few if any commitments that will make us better prepared for future system-wide shocks of this kind.

My specific concerns are:

- Recommendations 1a and b (accepted): As I said, I look forward to seeing the evaluations of the schemes. However, your response did not address our recommendations that they should cover the impacts around eligibility limitations, economic inactivity for the over-50s or second jobs for furloughed staff. Can you confirm that they will do so?
- Recommendation 2 (accepted): HMRC has now published the results of its consultation on improving the coverage of tax data it collects from its customers. The government has announced that it will take forward collection of data on employee hours worked via Real Time Information PAYE reporting, dividends received from owner-managed businesses via the Self-Assessment return (which would help identification of company owner managers who were excluded from the SEISS) and start and end dates of self-employment, as set out in the consultation. However, HMRC is not pursuing plans to collect sectoral, occupation and location data, all of which would increase the options for better targeting of future schemes. In the absence of improved data collection, can you confirm how you would be able to target future interventions on the basis of business sector, occupation or location.



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- Recommendations 3 and 4: The response considers that it is less and less cost effective to continue to pursue claims for employees working-while-furloughed, it is not cost effective to maintain the Taxpayer Protection Taskforce beyond September 2023 due to low rates of return and does not commit to report yield from COVID schemes in future years. HMRC has not carried out the Committee's recommendation to compare rates of return with rates of return from other government work to tackle fraudulent expenditure. Why not? You have said you will monitor and report fraud and error recovered internally. Why will you not make this information public?
- Recommendation 6 (accepted): You indicated that the response to any future system-wide shocks would be based on what is contained in your Covid scheme-specific 'playbooks'. However, our recommendation was aimed at wider large-scale financial interventions. We would expect that the experience of these schemes provided you with wider lessons than simply how to implement better Covid support schemes. What are these lessons?
- Rejected recommendations 5a and 5b: HMRC has rejected these recommendations on the basis the Department was already doing all it could to penalise people who make mistaken claims within its legal framework, and it says its systems make it unable to estimate claims where it suspects, but cannot prove, that employers intentionally overclaimed. Can you explain what actions HMRC will take to reduce the risk of these problems recurring if large scale financial interventions are required in the future?

I would be grateful if you could provide me with further information on how you will deal with these concerns by 27 July.

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

Yours Sincerely

Dame Meg Hillier
Chair of the Committee of Public Accounts