

Business Plan 2012–2015

HM Revenue and Customs

31 May 2012

Annexes

The 2012 Business Plan, and its reporting through the No.10 website, have been streamlined to focus on the Government’s structural reforms. These annexes contain information on cross–Government priorities, additional reform actions and actions from the 2011 business plan that are now complete. The Government will not report systematically on the No.10 website against the activities listed in these annexes, although overall progress will be reported through other publications, such as the Annual Report and Accounts, the Budget and a progress report on sustainable development.

Contents:

Annex A:	Cross–Government priorities	2
Annex B:	Completed structural reform actions	5

Annex A) Cross–Government priorities

The Government is committed to driving progress of a number of shared priorities across different departments. HMRC is contributing to these priorities through the commitments listed below.

Where set out, numbers in brackets refer to the position of actions in the Structural Reform Plan section of the Business Plan.

1. Red Tape Challenge

- HMRC are committed to making our customers feel that the tax system is simple for them and even–handed, and to reduce the compliance costs associated with it.
- We continue to work closely with the Office for Tax Simplification (OTS) to identify further simplifications to the tax system. OTS published reviews on small business–related issues in February 2012 and in response HMRC:
 - is consulting on a simpler system for small businesses to calculate tax on a cash receipts basis, and on simplified business expenses; and
 - published, at Budget 2012, the report *Making tax easier, quicker and simpler for small business* which sets out HMRC’s commitments to helping small businesses to find tax easier to understand, and to making it simpler and quicker for them to do what they need to do (register, keep records, file, pay), with greater certainty and accuracy.
- For the SR period, HMRC aims to reduce costs for customers in meeting their tax obligations, while committing not to increase the administrative burdens on business.
- We have strengthened the external and independent challenge function of the Administrative Burdens Advisory Board (ABAB), our panel of businesses and tax professionals who are either SMEs or work with them. ABAB will challenge us on our performance against our goals.

2. Civil Society Compact

- HMRC will ensure compliance with the Civil Society Compact, including collaborative working with the civil society sector on the following Structural Reform Plan actions: 1.1 iii, 1.1 iv & 1.1 v
 - HMRC will engage in consultation with Civil Society Organisations (CSO) on matters relevant to those customers they represent. These consultations help to identify the impact on customers and organisations arising from changes to taxes, benefits and tax credits.
 - HMRC will continue with our commitment to a multi-year funding programme of £2m per annum to aid CSOs in their task of supporting HMRC's most vulnerable customers that need extra help with meeting their tax and benefits obligations and claiming the correct entitlements.

3. Sustainable development

- HMRC contributes to a strong, healthy and just society by making sure money is available to fund the UK's public services; families and individuals receive targeted financial support; and green growth is nurtured through the management of environment taxes and sustainable operations.
- In making this possible, HMRC will:
 - Assess and manage environmental, social and economic impacts and opportunities in its policy development and decision making
 - Implement the Department's plan to deliver on the Greening Government Commitments, supplying quarterly information and contributing to an annual report on progress.
 - Procure from small businesses with the aspiration that 25% of contracts can be accessed by SMEs

4. Efficiency

- Ensure support for efficiency and reform, including efficiency measures to deliver savings and broader reforms to public services, including:
 - Investing £917m to bring in £7bn in additional tax revenues per annum by 2014–15, as we: (a) tackle avoidance and evasion through targeted campaigns and interventions; (b) take specific action to tackle off-shore avoidance and evasion; (c) prevent tax avoidance before it happens; (d) tackle organised criminals and fraud; and (e) improve our debt collection capability (1.1)
 - Delivering the HMRC and Department for Work and Pensions strategy to tackle error and fraud in tax credits, reducing losses to no more than five per cent of finalised entitlement. Sustain this level throughout the Spending Review (1.2)
 - Creating a ‘one-click’ online registration process for new businesses, working with the Department for Business, Innovation and Skills and Companies House (1.3)
 - Delivering Real-Time Information (RTI) for the PAYE system, supporting tax collection and introduction of Universal Credits (1.4)
 - Improving transparency in the resolution of tax disputes (1.5)
 - Improving the customer experience by providing online tax statements and processing outstanding customer PAYE cases. (1.6)
- The Departmental efficiency part of the Business Plan (in Section C) sets out operational spending, by category, as well as specific actions to improve operational efficiency in 2012–13.

Annex B) Completed structural reform actions

Completed actions from the 2011 Business Plan are shown below.

Take forward HMRC's wide-ranging spending review change programme to implement its objectives of maximising revenue flows, improving customer experience and reducing costs in a sustainable way.

- Develop a Change and Delivery Plan covering all HMRC transformation activity
- Put in place a Director General to lead a programme for Change and Delivery
- Develop detailed business implementation plans for each element of the £917m investment package, working with other departments as relevant
- Put in place a performance management regime across the programme to assure delivery of £7bn additional revenues
- Strengthen HMRC's debt collection techniques by placing up to £1bn of lower value debt with external debt collection agencies
- Assign additional investigators and specialists to increase targeting of alcohol, tobacco and repayment fraud.
- Recruit 300 new investigators to tackle volume crime and labour providers fraud
- Launch the tobacco strategy
- Create teams of cyber crime investigators and launch cyber crime initiatives to counter the increased threat of attacks on HMRC systems and customers using internet
- Create an additional six taskforces to target evasion and serious non-compliance
- Collect additional revenues of £2bn by April 2012; on the way to £7bn additional revenues per year 2014-2015
- Publish consultation documents on anti-avoidance listed schemes identified in Budget 2011
- Develop business implementation plans and a performance management regime to assure delivery on five key elements: prevent, detect, correct, punish and deter
- Reduce tax credit error and fraud by £1.4bn
- Extend the use of 'check now, then pay' approach to tax credits
- Implement a 'Start-up-Hub' for new businesses
- Put in place a digital default 'registration wizard' for business taxes, leading to fully automated processing for VAT

Completed structural reform actions

- Roll out the 'Registration Wizard' to businesses
- Roll out a 'Tax Dashboard' for businesses by 2012
- Develop and publish high level specification for software developers
- Consult on detailed proposals to introduce RTI
- Develop and launch a test service for software developers
- Put in place and launch IT infrastructure for RTI
- Support reviews of tax reliefs and simplification of the tax system for small businesses
- Build on Budget 2011 announcements to identify reliefs that can be removed/create a framework of new reliefs supporting businesses
- Advice submitted to OTS on reliefs ahead of Finance Bill 2012
- Identify administrative barriers to small businesses to achieving tax compliance