
HM Revenue and Customs

Introduction

1. This Estimate covers the expenditure and income of HM Revenue and Customs (HMRC) including its Executive Agency, the Valuation Office Agency (VOA).
2. We are the UK's tax and customs authority. We're here to collect the money that pays for the UK's public services and give financial support to people.

To help us deliver our core purpose in a changing world, we've defined a new vision for HMRC: to be a trusted, modern tax and customs department.

Our strategic objectives for April 2021 to 2025 set out what we will do over the next five years to support our vision:

- Collect the right tax and pay out the right financial support
- Make it easy to get tax right and hard to bend or break the rules
- Maintain taxpayers' consent through fair treatment and protect society from harm
- Make HMRC a great place to work
- Support wider government economic aims through a resilient, agile tax administration system

We are also helping the Government's response to the COVID-19 health emergency by continuing to implement measures announced by the Chancellor in relation to COVID-19

3. The Valuation Office Agency (VOA) gives the government the valuations and property advice needed to support taxation and benefits.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource†	5,820,921,000	252,000,000	6,072,921,000
Capital	659,132,000	-	659,132,000
Annually Managed Expenditure			
Resource†† †††	32,241,479,000	24,941,474,000	57,182,953,000
Capital	10,000	-	10,000
Total Net Budget			
Resource	38,062,400,000	25,193,474,000	63,255,874,000
Capital	659,142,000	-	659,142,000
Non-Budget Expenditure	-		
Net cash requirement† †† †††	43,528,340,000		

Amounts required in the year ending 31 March 2022 for expenditure by HM Revenue and Customs on:

Departmental Expenditure Limit:

Expenditure arising from:

Administration in management, collection and payment of a range of taxes, tax credits, benefits, reliefs, refunds, duties, levies, Statutory Payments, allowances, loans, entitlements, regulatory and verification schemes.

Delivering policies held by other government departments, assistance to devolved administrations and public bodies.

Law enforcement, criminal investigation and provision of resources to independent investigatory bodies including the Adjudicator's Office. Payments for the HMRC National Museum and grants to the voluntary and community sector.

International Tax Cooperation Agreements, customs controls, overseas tax administration, Official Development Assistance and support of projects abroad.

Providing shared services, Revenue and Customs Digital Technology Services Limited, services provided to third parties and provision of trade information.

Administration of the National Insurance Funds for Great Britain and Northern Ireland.

European Union transition and implementation of trade agreements.

Governmental response to the coronavirus Covid-19 pandemic.

Non-cash items falling in DEL.

Valuations, administration, setting and maintaining of assessments, advice, property services, payments of Local

Authority Rates on behalf of accredited foreign countries and non-cash items incurred by the Valuation Office Agency.

All activities, including ensuring that systems are maintained and updated as necessary, to enable the integrity of the lists for current use and preparing for any possible future revaluations.

Income arising from:

Tax reliefs, entitlements, levies, regulatory and verification schemes.

Part I (continued)

Recovery of costs associated with debt collection and other law costs, overpayments, insurance and compensation claims, staff costs, apprenticeships funding, valuation and other services, transaction fees and excess cash receipts, and other services.

Services provided to the Valuation Office Agency, Revenue and Customs Digital Technology Services Limited, other government departments, devolved administrations, other bodies and international parties and providing shared services.

Charges made for attendance of officers, international commitments, travel expenses, use of cars and rent, and other services.

Sales of assets, information, publications, statistical services, certificates and other services.

The Asset Recovery Incentivisation Scheme and other receipts. Recovery of administration costs of the National Insurance Funds, collection of National Insurance contributions.

Income arising from contributions to programmes conducted on behalf of government.

Recoveries of income from other government departments (including grants).

Non-cash items falling in DEL.

Valuations, administration, setting and maintaining of assessments, advice, property services, payments of Local Authority Rates on behalf of accredited foreign countries and non-cash items incurred by the Valuation Office Agency.

Annually Managed Expenditure:

Expenditure arising from:

Tax credits, benefits, reliefs, refunds, duties, levies, allowances and entitlements.

Remittance of irrecoverable debts, losses on asset revaluation and exchange rate movements. Incentive payments for filing, transitional payments to charities, provisions movements and payments that add capacity to debt recovery.

Governmental response to the coronavirus Covid-19 pandemic.

Non-cash items falling in AME.

Payments of Rates on behalf of accredited Commonwealth and foreign countries and certain international organisations and non-cash items.

Income arising from:

Payments of Rates by accredited Commonwealth and foreign countries and certain international organisations, refunds from local authorities.

HM Revenue and Customs will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	5,820,921,000	2,204,154,000	3,616,767,000
Capital	659,132,000	262,789,000	396,343,000
Annually Managed Expenditure			
Resource	32,241,479,000	29,318,295,000	2,923,184,000
Capital	10,000	5,000	5,000
Non-Budget Expenditure	-	-	-
Net cash requirement	43,528,340,000	31,614,499,000	11,913,841,000

Part I (continued)

† £765,000,000 has been advanced from the Contingencies Fund to provide cash in respect of £765,000,000 resource DEL spending supporting the service provided for under section D of this Estimate. A corresponding cash amount is required to enable repayment to be made to the Fund by July 2021.

†† £6,065,000,000 has been advanced from the Contingencies Fund to provide cash in respect of £6,065,000,000 resource AME spending supporting the service provided for under section O of this Estimate. A corresponding cash amount is required to enable repayment to be made to the Fund by July 2021.

††† £7,792,000,000 has been advanced from the Contingencies Fund to provide cash in respect of £7,792,000,000 resource AME spending supporting the service provided for under section O of this Estimate. A corresponding cash amount is required to enable repayment to be made to the Fund by July 2021.

Part II: Subhead detail

£'000

2021-22 Plans									2020-21 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
Spending in Departmental Expenditure Limits (DEL)										
Voted expenditure										
1,040,449	-71,310	969,139	4,961,172	-109,390	4,851,782	757,132	-98,000	659,132	4,740,784	563,734
<i>Of which:</i>										
A HMRC Administration										
1,026,449	-71,310	955,139	3,957,562	-65,070	3,892,492	732,712	-98,000	634,712	4,477,697	554,759
B VOA Administration										
-	-	-	222,610	-44,320	178,290	24,420	-	24,420	158,237	8,975
C Utilised Provisions										
14,000	-	14,000	16,000	-	16,000	-	-	-	104,850	-
D COVID-19										
-	-	-	765,000	-	765,000	-	-	-	-	-
Non-voted expenditure										
49,000	-	49,000	203,000	-	203,000	-	-	-	220,675	-
<i>Of which:</i>										
E National Insurance Fund										
49,000	-	49,000	203,000	-	203,000	-	-	-	220,675	-
Total Spending in DEL										
1,089,449	-71,310	1,018,139	5,164,172	-109,390	5,054,782	757,132	-98,000	659,132	4,961,459	563,734
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	32,245,979	-4,500	32,241,479	10	-	10	134,563,536	10
<i>Of which:</i>										
F Child Benefit										
-	-	-	11,932,223	-	11,932,223	10	-	10	11,887,329	10
G Tax Free Childcare										
-	-	-	399,980	-	399,980	-	-	-	252,252	-
H Providing payments in lieu of tax relief to certain bodies										
-	-	-	120,061	-	120,061	-	-	-	140,065	-
I Lifetime ISA										
-	-	-	512,500	-	512,500	-	-	-	463,300	-
J Help to Save										
-	-	-	29,725	-	29,725	-	-	-	-	-
K HMRC Administration										
-	-	-	30,000	-	30,000	-	-	-	65,000	-
L VOA - Payments of rates to LAs on behalf of certain bodies										
-	-	-	92,500	-4,500	88,000	-	-	-	93,460	-
M VOA Administration										
-	-	-	2,000	-	2,000	-	-	-	2,000	-
N Utilised Provisions										
-	-	-	-30,010	-	-30,010	-	-	-	-104,870	-
O COVID-19										
-	-	-	19,157,000	-	19,157,000	-	-	-	121,765,000	-

Part II: Subhead detail

£'000

2021-22 Plans									2020-21 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
Non-voted expenditure										
-	-	-	24,941,474	-	24,941,474	-	-	-	30,562,234	-
<i>Of which:</i>										
P Personal Tax Credit										
-	-	-	13,214,009	-	13,214,009	-	-	-	18,331,274	-
Q Other Reliefs and Allowances										
-	-	-	11,727,465	-	11,727,465	-	-	-	12,230,960	-
Total Spending in AME										
-	-	-	57,187,453	-4,500	57,182,953	10	-	10	165,125,770	10
Total for Estimate										
1,089,449	-71,310	1,018,139	62,351,625	-113,890	62,237,735	757,142	-98,000	659,142	170,087,229	563,744
<i>Of which:</i>										
Voted Expenditure										
1,040,449	-71,310	969,139	37,207,151	-113,890	37,093,261	757,142	-98,000	659,142	139,304,320	563,744
Non Voted Expenditure										
49,000	-	49,000	25,144,474	-	25,144,474	-	-	-	30,782,909	-

Part II: Resource to cash reconciliation

£'000

	2021-22 Plans	2020-21 Provisions	2019-20 Outturn
Net Resource Requirement	63,255,874	170,087,229	44,879,085
Net Capital Requirement	659,142	563,744	335,038
Accruals to cash adjustments	4,806,798	-277,355	-305,881
<i>Of which:</i>			
<i>Adjustment for ALBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-383,734	-381,608	-297,427
New provisions and adjustments to previous provisions	-32,000	-67,000	-82,039
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-2,478	-3,907	18,978
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	40,000	-
Increase (-) / Decrease (+) in creditors	5,195,000	30,290	-
Use of provisions	30,010	104,870	54,607
Removal of non-voted budget items	-25,193,474	-30,782,909	-28,688,746
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-25,193,474	-30,782,909	-28,688,746
Net Cash Requirement	43,528,340	139,590,709	16,219,496

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

	£'000		
	2021-22 Plans	2020-21 Provisions	2019-20 Outturn
Gross Administration Costs	1,075,449	1,209,428	862,252
<i>Less:</i>			
Administration DEL Income	-71,310	-113,310	-43,420
Net Administration Costs	1,004,139	1,096,118	818,832
Gross Programme Costs	62,365,635	169,204,478	44,257,335
<i>Less:</i>			
Programme DEL Income	-109,390	-208,390	-191,848
Programme AME Income	-4,500	-4,957	-5,224
Non-budget income	-200	-200	-200
Net Programme Costs	62,251,545	168,990,931	44,060,063
Total Net Operating Costs	63,255,684	170,087,049	44,878,895
<i>Of which:</i>			
Resource DEL	6,042,921	4,856,609	4,202,784
Capital DEL	-	-	-
Resource AME	57,212,963	165,230,640	40,676,311
Capital AME	-	-	-
Non-budget	-200	-200	-200
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
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	200
Other adjustments	-10	-20	-10
Total Resource Budget	63,255,874	170,087,229	44,879,085
<i>Of which:</i>			
Resource DEL	6,072,921	4,961,459	4,257,381
Resource AME	57,182,953	165,125,770	40,621,704
<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	-	-	-
Total Resource (Estimate)	63,255,874	170,087,229	44,879,085

Part III: Note B - Analysis of Departmental Income

£'000

	2021-22 Plans	2020-21 Provision	2019-20 Outturn
Voted Resource DEL	-180,700	-321,700	-235,268
<i>Of which:</i>			
Administration			
Sales of Goods and Services	-71,310	-113,310	-34,498
<i>Of which:</i>			
A: HMRC Administration	-71,310	-113,310	-34,498
Other Income	-	-	-8,922
<i>Of which:</i>			
A: HMRC Administration	-	-	-8,922
Total Administration	-71,310	-113,310	-43,420
Programme			
Sales of Goods and Services	-109,390	-208,390	-186,872
<i>Of which:</i>			
A: HMRC Administration	-65,070	-167,390	-152,718
B: VOA Administration	-44,320	-41,000	-34,154
Other Income	-	-	-4,976
<i>Of which:</i>			
A: HMRC Administration	-	-	-4,490
B: VOA Administration	-	-	-486
Total Programme	-109,390	-208,390	-191,848
Voted Resource AME	-4,500	-4,957	-5,224
<i>Of which:</i>			
Programme			
Sales of Goods and Services	-4,500	-4,957	-5,224
<i>Of which:</i>			
L: VOA - Payments of rates to LAs on behalf of certain bodies	-4,500	-4,957	-5,224
Total Programme	-4,500	-4,957	-5,224
Total Voted Resource Income	-185,200	-326,657	-240,492
Voted Capital DEL	-98,000	-175,000	-85,278
<i>Of which:</i>			
Programme			
Sales of Assets	-98,000	-175,000	-85,278
<i>Of which:</i>			
A: HMRC Administration	-98,000	-175,000	-85,278
Total Programme	-98,000	-175,000	-85,278
Total Voted Capital Income	-98,000	-175,000	-85,278

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:

Accounting Officer: Jim Harra

Executive Agency Accounting Officers:

Jonathan Russell For sections B, Land M (Interim Chief Executive of the Valuation Office Agency)

Jim Harra 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) together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal Accounting Officer and the ALB Accounting Officer(s) is set out in writing.

Part III: Note J - Staff Benefits

For the financial year 2021-22, budget holders have delegated authority to present reward vouchers to staff (grades from AA to Grade 6), under the terms of the Department's Reward and Recognition Scheme ("Simply Thanks"). The vouchers are for a range of well-known retail outlets and offer managers a quick way to show their appreciation for the good work and positive behaviours of staff and colleagues by awarding them £20 vouchers. The vouchers are funded from the Department's pre-existing budget for bonuses.

The Cycle to Work (CtW) scheme is part of the Government's Green Transport Plan to promote healthier journeys to work and reduce environmental pollution. The scheme allows staff to vary their contract of employment to sacrifice part of their salary and in return, are provided with the loan of a bike and cycling equipment. Staff are able to use the bike and equipment in their spare time as well as for cycling to work. Cycle Solutions administer the scheme on behalf of HMRC. In HMRC, we use long service recognition to recognise jobholders who complete a total of 30, 40 and 50 years of service within the Civil Service. If a staff member meets the qualifying criteria and complete 40 or 50 years total service, they're entitled to a 'gift' to the value of £40. Note that the gift cannot be in the form of gift tokens/vouchers or any other form of money.

Childcare (Salary Sacrifice) Schemes are closed to new joiners but HMRC still operates a scheme for existing employees who opted into the scheme prior to its closure. This allows staff vary their contract of employment to sacrifice part of their salary in exchange for childcare vouchers.

HMRC operates an Employee Discount Scheme, run and administered by Edenred, which provides staff access to buy discounted retail vouchers and purchase certain goods and services at a discounted rate. The cost of any items purchased is met by the employee.

Part III: Note K - Contingent Liabilities

Nature of liability	£'000
Legal claims – Costs that may be awarded should various legal cases in which HMRC is involved be determined against the department.	119,220
Guaranteed costs – possible liability where appointed liquidators have been guaranteed payment of their costs with a view to recovery of outstanding tax liabilities, 59 cases.	700
Other – the department has a further number of contingent liabilities.	60,600