

Supplementary written evidence from Stuart McDonald MP

Thank you for raising a number of my concerns surrounding the closure of the HMRC office in Cumbernauld as part of the Public Accounts Committee inquiry into the HMRC estate. I look forward to reading the committee's final report.

I would like to follow up on a few key points that emerged from the hearing, specifically in connection to the comments of HMRC Chief Executive, Jon Thompson, about the Cumbernauld site.

In response to Q.63, where you raised my concerns regarding the extra travel costs facing HMRC staff in the result of a move, Mr Thompson suggested that these costs would be covered under the "daily travel allowance". However, it has been brought to my attention that the travel allowance will only be in place for three years, five if staff members live beyond the travel limit, and this 'benefit' will also be taxable, representing an instant loss of income.

The cost of travel is estimated to be between £672 and £1272 annually, depending on mode of transport, and with prices likely to rise over the next five years this issue is causing significant distress for HMRC staff in Cumbernauld. I believe it would be beneficial if HMRC could clarify why the travel allowance will be taxable, causing a double whammy for staff, and if the allowance will rise in line with inflation.

Additionally, what also has to be considered is the cost in terms of travel times, which has to be factored in if the proposed move to a regional centre goes ahead. This will have a substantial impact on members of HMRC staff with childcare or caring responsibilities, who will now have to decide whether the increased time taken to travel to work makes it financially viable to move to a new site.

Finally, it was shocking to hear Mr Thompson state that the impact of the proposed move on staff 'wasn't formally part of the selection criteria' in response to question 64 from my colleague SNP colleague Phil Boswell. The decision to close these HMRC centres will have far reaching effects on the local communities where they are based and, of course, the members of staff themselves. Surely the interests of staff and the wider socio economic effects of public sector reforms should be taken into consideration?

My colleague, Hannah Bardell MP, has highlighted the impact that the closure of the Bathgate and Livingston offices will have on the local economy and staff. A socio economic impact assessment from PCS and West Lothian Council found that:

- A substantial number of staff couldn't relocate from West Lothian due to travel costs or care responsibilities – extra travel could cost £1,300 a year for the majority of workers earning £21,000 or less as well as add an extra four hours travel time per week
- Additional unemployment has the potential to cost the taxpayer an extra £1.3million per year
- £7.5 million would be lost from local income generation in West Lothian annually

- £1 million would be lost from local spending in West Lothian threatening local shops and services

I am sure that an impact assessment in Cumbernauld will find similar results and I will now explore avenues for making this happen. However, what this amounts to is MPs and local councils carrying out the work that HMRC should be doing.

It is not enough to justify the closure of 170 offices with reference to 'high level', broad-brush visions. Each and every closure should be justified on its own terms yet we don't even know if the cost of rental premises will be cheaper: most unlikely given the Glasgow City Centre locations being considered. I strongly suspect that if a case by case analysis was carried out, the proposals would fall to pieces.

It has been encouraging to see the Public Accounts Committee take this important issue so seriously and thank you once again for the opportunity to raise the concerns of my constituents regarding HMRC's plans. I hope this information will prove helpful to your inquiry and I look forward to reading your response in due course.

Stuart McDonald MP