

HMRC – Mission Impossible?

As we approach Budget day 2005, it is 12 months ago that the Chancellor in his March 2004 Budget announced that the Inland Revenue will merge with HM Customs and Excise to form a new Department, HM Revenue and Customs (HMRC) (**Note 1**).

The governmental wheels have been turning in order to effect this. As is increasingly the case, government departments have a tendency to try and appear and behave like “normal” organisations – which they are not, nor should they try. These days, they even have mission statements – badly done even by most commercial organisations. Witness the draft mission statement for the new HMRC:

"Our mission is to provide a high quality and efficient service that ensures everyone understands and complies with tax, trade and border law, and understands and receives their entitlements so that we all contribute to the economic and social well-being of the United Kingdom. We will do this through:

- understanding our customers and responding to their feedback;*
- developing our workforce;*
- effective two way communication;*
- delivering and sustaining high levels of compliance;*
- responsible enforcement;*
- excellence in delivery of our services; and*
- at a collection and compliance cost which enhances international competitiveness.*

Our values are professionalism, integrity, diversity, and engagement"

Oh dear! Readers of my previous columns will see that this proposal exhibits some of the common mistakes, and misses most of the essential ingredients, of good mission statements. No surprise there, but in the meantime there is something else which causes more than a slight gritting of the teeth. This is because the mission as stated embraces the propensity of government departments to refer to the public as “customers”.

But, to describe the relationship between taxpayer and Inland Revenue to be customer, and therefore by implication that makes the Inland Revenue a supplier, is completely at odds with the reality of the economic relationship

There should be public service levels for sure, but these do not of themselves create a customer relationship. The Inland Revenue’s customer is, let’s be clear, the UK Treasury. And it is solely up to the UK Treasury as to whether the HMRC, or some other organisation, assesses and collects taxes on its behalf. Similarly, the payment of tax credits and benefits which are based on entitlement.

This is important because, if the mission statement is the organisation’s expressed *raison d’être*, and it is based on a fundamental misconception, then there is a fair chance that the organisation will be making the wrong policies and doing the wrong things. (On the other hand, if the mission statement is being ignored in practice, why bother with something that can only cause confusion?)

To repeat, the true substantive value of mission statements is *clarity of purpose*. It seems to me doubtful, for example, that HMCE will be all that preoccupied in enhancing “international competitiveness” (the UK’s presumably). Or whether it is a realistic aspiration to ensure that “everyone understands ... tax, trade and border law”.

This is actually quite serious. It goes to the core of what the organisation is all about. I am not at all intimate with what are the Customs and Excise’s, and the Inland Revenue’s, ambitions, but I would have thought that something like the following might be closer to the reality:

“HMRC will, through its network of offices and individuals, and based on its unique integration of expert knowledge and systems administration, deliver effective:

- Collection of taxes and duties
- Payment of credits and benefits
- Control of movement of goods into and out of the UK

..on behalf of the UK government and the public”

The above, if nothing else, has the benefit of being succinct - essential if employees and the public are going to get the message in one.

And at least we won’t all be annoyed by being called customers in a relationship where we have no choice!

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Note 1 <http://payroll.butterworths.co.uk/dataitem.asp?ID=50214&tid=7>