

Appendix II - List of Parliamentary Questions¹

House of Commons Debates, Parliamentary Questions and Answers

1 Dec 2009 : Column 603W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what (a) formal and (b) informal consultations HM Revenue and Customs has run in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; and which HM Revenue and Customs official has had oversight of each such consultation. [303065]

Mr. Timms: Details of HM Revenue and Customs' formal and informal consultations can be found at:

<http://www.hmrc.gov.uk/consultations/index.htm>

Each consultation document includes contact details as well as a named Departmental Consultation Coordinator in line with the Government's Code of Practice on consultation.

7 Dec 2009 : Column 53W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what improvement programmes were in operation at HM Revenue and Customs in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; how much each has cost; how much each programme has spent on external consultants; and which official of HM Revenue and Customs had oversight of each programme. [303066]

Mr. Timms: Since 2006, HM Revenue and Customs' (HMRC) major change and improvement programmes have been delivered through the Department's investment portfolio known as the 'Departmental Transformation Programme'. Total expenditure, including consultancy, on these programmes is set out in the table.

The successful delivery of a change portfolio of the scale and complexity of HMRC's Departmental Transformation Programme depends critically on suitably skilled project management personnel as well as specialists in niche areas, e.g. data security and commercial banking. Where HMRC staff with the necessary skills and experience are not available, the Department will employ, through its commercial frameworks, external contractors and consultants to ensure successful programme delivery.

¹ This is an addendum to *Improving PAYE: How information is collected and managed in the administration of Income Tax*, a report by the All-Party Parliamentary Taxation Group. This addendum lists all Parliamentary Questions asked by APPG Taxation Chairman Ian Liddell-Grainger as part of the report's research. The full report can be found at <http://www.appgtaxation.org>.

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<i>£ million</i>									
	2006-07		2007-08		2008-09		2009-10 (forecast at November 2009)		
<i>Programmes</i>	<i>Total</i>	<i>Consultancy</i>	<i>Total</i>	<i>Consultancy</i>	<i>Total</i>	<i>Consultancy</i>	<i>Total</i>	<i>Consultancy</i>	
Agents and Employers	-	-	-	-	1.2	0.5	-	-	
Business Intelligence	40.0	0.6	-	-	-	-	-	-	
Business.gov	-	-	21.0	-	35.4	-	35.8	-	
Capability Review	-	-	-	-	3.5	3.2	0.7	0.5	
Carter (previously Online Services)	23.0	6.3	84.7	0.9	89.2	0.7	74.2	1.0	
Compliance and Enforcement	71.9	13.8	59.3	8.0	87.3	6.1	67.1	1.8	
Compliance and Enforcement-Debt Management	-	-	-	-	-	-	6.4	-	
Construction Industry Scheme	34.0	1.0	6.8	0.2	0.6	-	-	-	
Customer Contact	43.0	9.8	3.8	0.7	-	-	-	-	
Customer Foundations	6.0	3.5	-	-	-	-	-	-	
Customer Interactions	-	-	-	-	8.7	4.2	-	-	
Customs Service Transformation	5.0	2.4	13.9	2.5	25.3	2.9	25.4	1.6	
Data Quality	12.0	7.6	-	-	-	-	-	-	
Data Security	-	-	-	-	43.9	2.1	18.7	1.7	
Direct Debits	-	-	-	-	3.4	-	-	-	
Enterprise Infrastructure/Disaster Recovery	19.0	0.2	8.5	0.9	19.2	1.1	-	-	
ERP Shared Services	-	-	-	-	4.7	0.2	-	-	
Estates	14.0	-	31.3	-	38.6	-	22.1	-	

Consolidation								
Estates Transformation	-	-	2.7	-	3.1	-	-	-
e-Sourcing	-	-	0.7	0.4	1.7	0.6	-	-
Government Banking	1.0	-	12.6	4.9	22.1	8.2	17.4	11.1
Human Resources initiatives	4.0	0.3	-	-	-	-	-	-
Information Technology (Desktop upgrade)	52.0	1.9	-	-	-	-	-	-
Integrated Customer Management	1.0	-	-	-	-	-	-	-
Joint Working DWP/Transform Government	1.0	-	-	-	-	-	-	-
Northgate-transfer of payroll to HMRC	-	-	3.9	-	1.4	-	-	-
Pacesetter (all programmes)	-	-	-	-	5.9	4.8	11.9	7.9
PAYE(MPPC)	27.0	0.2	63.8	0.4	73.6	9.0	43.4	7.2
Pensions Simplification	14.0	0.4	5.1	-	-	-	-	-
People, Culture and Skills	9.0	0.3	-	-	-	-	-	-
PAYE Improvement Group	-	-	-	-	0.1	-	-	-
Performance Management Framework	-	-	0.9	-	0.8	0.7	0.4	0.1
Policy Development Programme	19.0	0.5	-	-	34.9	4.5	42.8	2.2
Processing Pacesetter	18.0	10.3	12.3	2.7	6.1	0.7	-	-
Strategic Investment	3.0	1.2	-	-	-	-	-	-
Tax Credits	1.0	0.3	8.9	0.8	14.1	0.9	10.7	-
Taxpayer Understanding	-	-	2.0	1.9	0.0	-	-	-

Transform Debt Managements. Banking	6.0	0.8	15.1	0.8	-	-	-	-
Web Convergence	-	-	4.4	3.1	-	-	-	-
Workforce Change	-	-	-	-	65.9	-	-	-
HMRC overheads ⁽¹⁾	5.5	-	12.2	-	3.6	-	4.2	-
IT service line charges ⁽¹⁾	-	-	47.5	-	53.2	-	60.0	-
Total	429.4	61.5	421.4	28.2	647.5	50.6	441.2	35.2

⁽¹⁾ These items represent expenditure commitments funded through the DTP and are not formal delivery programmes.

5 Jan 2010 : Column 170W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many (a) staff are directly employed and (b) consultants there are in each department of HM Revenue and Customs. [308098]

Mr. Timms: The number of staff directly employed by each business unit of HM Revenue and Customs as at 1 December 2009 is as follows:

5 Jan 2010 : Column 171W

<i>Directorate</i>	<i>Headcount</i>	<i>Full-time equivalent</i>
Adjudicator's Office	58	56.94
Anti-Avoidance Group	106	100.93
Benefits and Credits	7,177	6,382.46
Business Customer Unit	209	202.22
Business International	80	77.13
Capability Improvement	4	4
Central Compliance	308	293.66
Central Policy	155	145.52
Chairman, CEO and Head of Tax	33	32.38
Charity, Assets and Residence	2,468	2285
Commercial	119	113.01
Communications and Marketing	220	210.5
Compliance and Enforcement Programme	320	313.41

Corporation Tax and VAT	379	354.25
Criminal Investigation	2,192	2,130.65
Customer Contact	12,102	11,193.82
Customer Operations	17,330	14,873.8
Debt Management and Banking	7,846	6,913.76
Departmental Transformation Programme	42	40.55
Detection	22	20.86
Estates and Support Services	1,751	1,635.75
Excise, Customs, Stamps and Money	1,729	1,578.38
Finance	386	354.24
Government Banking Services	119	115.76
Individuals	89	87.87
Information Management Services	1,352	1,292.41
Internal Audit	133	128.08
Knowledge, Analysis and Intelligence	426	410.7
Large Business Service	1,578	1,505.37
Local Compliance	14,558	13,401.36
Pacesetter Business Performance	69	67.84
People Function	1,699	1,568.87
PSN (PAYE, SA and NIC)	389	370.99
Risk and Intelligence Services	2,875	2,681.75
Security	104	99.82
Solicitor's Office	392	370.04
Specialist Investigations	1,646	1,575.5
Strategy Development	13	13
Total	80,478	73,002.58

Information on the number of individual consultants employed is not held centrally by the Department and could be provided only at disproportionate cost.

5 Jan 2010 : Column 171W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many public opinion surveys HM Revenue and Customs has performed since 2006; and what the title of each such survey was. [308094]

Mr. Timms: HM Revenue and Customs conducts a wide range of surveys to understand the attitudes, needs and behaviours of their customers. Since 2006 HMRC have undertaken 66 surveys, with some repeated on more than one occasion. The titles of the surveys are as follows:

Attitudes and behaviours in self-assessment taxpayers

Cross Border Shopping-Oils Survey

Charities, Assets and Residents (CAR) Customers Service Survey

Child Benefit New Form testing

Child Trust Fund (five phases)

Complaints Tracking Research (three phases)

Concept Testing for SA Carter Segments-Support Strategy

Contact Centre Customer Satisfaction Survey (four phases)

Customer experience of the simplified Main Tax Return pilot (two phases)

Customer Journeys Individuals (two phases)

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Drivers of Compliance (two phases)

DWP Joint Working trial (2nd phase)

Enterprise Management Incentives (EMI) Evaluation Survey: Use of EMI and its perceived impact

Evaluation of the Changes to Capital Gains Tax Since 1998

Evaluation of the redesign of Enquiry Centres

Gift Aid Donor Research

HMRC Customer Service Survey (four phases)

HMRC Research on SA Online Registration (two phases)

Individuals Prioritisation (two phases)

Innovative Guidance

Key Factsheets for Employees and Pensioners

Learning from Mistakes-Errors Work (two phases)

March 2007 in-year customer service survey

Panel Study of Tax Credit and Child Benefit Claimants 2008-11

Pensioners quantitative survey

Pensions Tax Simplification evaluation-Wave 2

Pensions Taxation Reforms: A Baseline Survey of Individuals

Pre SA mandation research (two phases)

Reputation Index

Reputation Tracking

Research to explore the feasibility of collecting in-year estimates from tax credit claimants

SA Products Evaluation

Saving Gateway Second Pilot-Follow-Up Research

Share Incentives Plan and Save as You Earn Survey of Employers and Employees (two phases)

Survey of Savings and Investments for children: A baseline survey at the inception of the Child Trust Fund

Survey of Trustees and Settlers Behaviour and Reasons for Setting up Trusts

Tax credit claim form-Usability Testing

Tax Credits Campaign Tracking

Tax Credits Campaign Tracking Birmingham Pilot

Tax Credits Campaign Tracking Renewals

Tax Credits Renewals Guidance Notes Testing

Tax Credits Trailblazers

Tax for Business Campaign and Self Assessment Campaign

Tax For Business Campaign Tracking Wave 6

Tax Matters

Taxback Project

Taxpayer Advertising Tracking

Understanding the relationships between HMRC customers, the Voluntary and Community Sector and HMRC.

11 Jan 2010 : Column 772W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many Office of Government Commerce Gateway Reviews HM Revenue and Customs has performed since 2006; what the title of each such review is; and at which gate each such review is. [308082]

Mr. Timms: The following table gives details of the 71 OGC Gateway reviews undertaken or planned for HM Revenue and Customs programmes and projects for the four years 2006-07 to 2009-10. It includes the title of each programme or project and the specific Gateway review number.

11 Jan 2010 : Column 773W

11 Jan 2010 : Column 774W

<i>Programme/project title</i>	<i>Gate No.⁽¹⁾</i>
<i>2006-07</i>	
Estates and Support Services Transformation Programme	0
ASPIRE ('Acquiring Strategic IT Partners for the Inland Revenue')	5
Processing Pacesetter Programme	0
Replacement Radio Project	2
STRIDE (IT equipment refresh project)	4a
New Tax Credits	5
Estates Consolidation Programme	0
Efficiency Programme	0b
HMRC Banking Change Project	2
Pensions Simplification	4
Construction Industry Scheme Reform Project	4
Customs Handling of Import and Export Freight ('CHIEF') replacement project	2
Total reviews (2006-07)-12	
<i>2007-08</i>	
Modernising Stamp Duty	5
Carter (online services) Programme	0
Estates Transformation Programme	0a
Estates Consolidation Programme	0a

Processing Pacesetter Programme	0a
Enterprise Infrastructure Foundation Programme	0
Customs Service Transformation Programme	0
Government Banking Programme	0
Health in Pregnancy Grant Project	1
Government Banking Procurement Project	3
New Penalties Project (1)	2
National Direct Debits	2
Total reviews (2007-08)-12	
<i>2008-09</i>	
Compliance and Enforcement Programme	0
Excise Movement and Control System	0
Consolidation of Inward Cheques and Forms	4
Health in Pregnancy Grant Project	2/3
Carter (online services) Programme	0a
Aviation Duty Project	1/2
National Direct Debits Project	4
Carter (online services) Corporation Tax Project	1/2
Carter (online services) VAT Project	1/2
Business.Gov Programme	0
Tax Credits Transformation Programme	0
Customs Handling of Import and Export Freight ('CHIEF') replacement project	3
MPPC3 (PAYE modernisation) Programme	0
New Penalties Project (1)	3
Savings Gateway Project	1
Compliance and Enforcement Caseflow Project	2
Government Banking Change Project	4
World Class Programme	0
Estates Transformation Programme	0b
Data Centre Sub-Programme	0
Quantum (delivery of IT services) Programme	0
Compliance and Enforcement Caseflow Project	4
Health in Pregnancy Grant Project	4
Data Security Programme	0

Carter (online services) VAT Project	3
Carter (online services) Corporation Tax Project	3
Total reviews (2008-09)-26	
<i>2009-10</i>	
New Penalties Project (1)	4
Business.Gov Programme	0a
Compliance and Enforcement Programme	0a
Better Data for CT Project	5
Government Banking Change Project	4a
Excise Movement and Control System	3
EU VAT Refunds Project	2
Estates Consolidation Programme	0b
EU VAT Refunds Project	3
New Penalties Project (2)	1
Customs Service Transformation Programme	0a
Government Banking Programme	0a
Saving Gateway Project (planned)	2
Carter (online services) Corporation Tax Project	4
Carter (online services) VAT Project	4
Validating Household Income for Student Loans Company Project (planned)	4
Government Banking Transition Project (planned)	4a
Saving Gateway Project (planned)	3
New Penalties Project (2) (planned)	3
Filing, Payment and Interest Programme (planned)	0
Compliance and Enforcement Caseflow Project	4a
Total reviews (2009-10)-21	
Total reviews (all years)-71	
⁽¹⁾ Gateway review stages are: 0 ('Strategic Assessment'-programmes only); 1 ('Business Justification'); 2 ('Delivery Strategy'); 3 ('Investment Decision'); 4 ('Readiness for Service' and 'Operations Review and Benefits Realisation'). Gate numbers with an 'a' or 'b' suffix represent repeat reviews at that level.	

25 Jan 2010 : Column 594W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what formal mechanisms are in place for co-operation between HM Revenue and Customs and the Department for Work and Pensions. [312405]

Mr. Timms: HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) work together on a daily basis to administer the UK's tax and welfare systems.

While much of this contact is informal, a variety of formal mechanisms are established as required to facilitate policy development and the delivery of operational project.

A full of list of these mechanisms is available only at disproportionate cost, as the information is not centrally held by either HMRC or DWP. Specific examples of formal joint arrangements include:

The Pensions Reform Programme Board, which oversees HMRC IT and business changes needed to implement DWP's state pensions reforms;

Pilot on small debt working, announced in a joint ministerial statement on 14 September 2009 and

Employment and Support Allowance Project, which manages the implementation of changes to this allowance.

25 Jan 2010 : Column 600W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many income sources *(a)* terminated and *(b)* commenced during (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [312320]

Mr. Timms: The information requested is available only at disproportionate cost, as the data is not centrally held by HM Revenue and Customs' systems.

25 Jan 2010 : Column 601W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what information his Department holds on reasons for which complaints were made to Revenue and Customs about its services in *(a)* 2006, *(b)* 2007, *(c)* 2008 and *(d)* 2009. [312144]

Mr. Timms: Since April 2007, HM Revenue and Customs has maintained a complaints database to help the Department understand why complaints are made and act to address this. Within the database, complaints are assigned to one of the following core categories: delay, staff conduct, process/system, policy/legislation, communication, misleading advice, loss/damage, mistake/error, compensation/costs claim and discrimination.

Centrally held data is not available prior to April 2007.

25 Jan 2010 : Column 603W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the outcomes were of the HM Revenue and Customs (a) Customer Journeys Individuals (two phases) and (b) Complaints Tracking Research (three phases) survey completed since 2006. [312157]

Mr. Timms: The Customer journeys research is designed to help HM Revenue and Customs (HMRC) understand interactions from the customer perspective. The information and data from this research are used in analysis of our processes. A summary of this research is due to be published in line with HMRC's publication policy.

The Complaints Tracking Research is a rolling survey of customers whose complaints have been finalised. The survey measures customer satisfaction with HMRC's complaints handling procedures and the information is used to improve the handling of complaints. A summary of the research is due to be published in line with HMRC's publication policy.

25 Jan 2010 : Column 607W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the status is of the national implementation programme for the In and Out of Work scheme. [312147]

Jim Knight: I have been asked to reply.

Following evaluation of the initial trials and pilots in 2007 and 2008, implementation of the In and Out of Work processes has been rolling out nationally since October 2008.

The In and Out of Work Project has been working to ensure the new service reaches all local authority areas in England, Scotland and Wales and to date, it has been implemented in 370 out of 408 authorities. Rollout is scheduled to be completed by March 2010.

25 Jan 2010 : Column 607W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many programmes for which HM Revenue and Customs is responsible have a verification procedure for access by users to (a) their tax records and (b) HM Revenue and Customs officials for discussions on their tax arrangements. [312408]

Mr. Timms: HM Revenue and Customs (HMRC) has a legal duty to protect the confidentiality of taxpayer information. Only authorised users may access HMRC services and access or submit data relating to them. Customers have to give their consent in writing if they wish an agent or personal representative to act on their behalf.

HMRC uses leading technologies and encryption software to safeguard data and operates strict security standards across the whole of its IT estate to prevent any

unauthorised access to it. All customers who use the Department's online services to access their tax records are required to register and enrol with the UK Government Gateway to obtain a unique online User ID. Before they can access their records they must log in and provide further information to enable HMRC to verify their identity.

All individuals calling HMRC have to answer a series of security questions to validate their identity, before any tax information held on HMRC's systems can be disclosed. Customers who fail to satisfy the identity checks will be asked to put their inquiry in writing.

The Department operates strict internal security and audit arrangements in relation to officials' access to taxpayer accounts, with stringent control and monitoring processes to ensure that staff access to individual accounts is allocated and used strictly according to business need.

All staff accesses to taxpayer accounts are recorded automatically by HMRC's systems to identify any fraudulent or misappropriate use of access. The National

25 Jan 2010 : Column 608W

Audit Office also audits HMRC's security arrangements as part of its yearly audits of the Department's major processes.

27 Jan 2010 : Column 919W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the objectives are of the HM Revenue and Customs Policy Development Programme. [312145]

Mr. Timms: HM Revenue and Customs (HMRC) does not have a Policy Development Programme.

HMRC's Policy Delivery Programme is a portfolio of projects which implement and deliver policy measures and legislation, including EU legislation, for the Department.

1 Feb 2010 : Column 103W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many forms HM Revenue and Customs generated about changes of jobs in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [312153]

(2) what percentage of those who paid tax through the Pay-As-You-Earn system had more than one income source in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [312321]

(3) what percentage of employers did not operate changed tax codes for their employees in (a) 2006, (b) 2007, (c) 2008 and (d) 2009. [312336]

Mr. Timms: The information requested is available only at disproportionate cost, as the data is not centrally held by HM Revenue and Customs' systems.

1 Feb 2010 : Column 105W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many Pay-As-You-Earn coding notices were issued to (a) employers and (b) individuals in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [312156]

Mr. Timms: The information requested is available only at disproportionate cost, as the data is not centrally held by HM Revenue and Customs' systems.

1 Feb 2010 : Column 105W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many individual taxpayers claimed benefits-in-kind or paid business expenses in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; and what total amount was claimed in each year. [313966]

Mr. Timms: This information requested is not available by calendar year. However, information about taxable expenses and benefits-in-kind for 2006-07 and a projection for 2007-08 is available at:

http://www.hmrc.gov.uk/stats/taxable_benefits/table4-5-2006-Q7.pdf

This information will be updated on 31 March 2010 and will include a projection for the 2008-09 tax year.

1 Feb 2010 : Column 107W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many individuals have been switched out of self-assessment in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [312155]

(2) what criteria are used to determine whether a self-assessment case requires manual processing; [312332]

(3) what percentage of self-assessment forms were (a) incomplete and (b) completed incorrectly in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312335]

(4) what the five most common errors made by individuals completing self-assessment forms were in (a) 2006, (b) 2007, (c) 2008 and (d) 2009. [312406]

Mr. Timms: Following a review of self-assessment in April 2004 HM Revenue and Customs (HMRC) introduced revised criteria for completion of self-assessment tax returns. As a result, many customers with straightforward tax affairs were no longer required to complete an annual tax return. The number of individuals who have automatically been taken out of self-assessment is provided in the following table.

	<i>Number of individuals taken out of self-assessment</i>
2005-06	285,584
2006-07	214,667
2007-08	190,453
2008-09	196,017

Manual processing is required where a self-assessment main tax return is filed on paper. Returns filed electronically do not require manual processing and short tax returns filed on paper are subject to automated data capture.

A self-assessment tax return can be regarded as incomplete for a number of reasons, for example: no signature or missing supplementary pages. HMRC will send these back to the taxpayer for completion. HMRC will correct obvious errors made by the taxpayer; for example:

Where the taxpayer transposes figures;

Puts a decimal point in the wrong place;

Makes arithmetical errors; or

Incorrectly records national insurance benefits.

Information on the number of incomplete or incorrect returns is available only at disproportionate cost, as the data are not centrally held by HMRC's systems.

Based on the sampling undertaken as part of the Department's monthly quality monitoring exercise, the five most common errors made by individuals completing self-assessment forms were:

In 2005-06 failing to:

1. declare the correct amount of national insurance benefits on the return;
2. complete all the relevant boxes on the trust page;
3. include the amount of underpayment from an earlier year included in the PAYE code for a later year;
4. claim fixed rate expenses; and
5. include details of in-year repayments already received.

In 2006-07 failing to:

1 Feb 2010 : Column 108W

1. declare the correct amount of national insurance benefits on the return;

2. complete all the relevant boxes on the trust page;
3. include the amount of underpayment from an earlier year included in the PAYE code for a later year;
4. correctly complete boxes on the return; and
5. include details of in year repayments already received.

In 2007 /08 failing to:

1. declare the correct amount of national insurance benefits on the return;
2. include the amount of underpayment from an earlier year included in the PAYE code for the return year;
3. claim fixed rate expenses;
4. include details of in year repayments already received; and
5. include the amount of underpayment from an earlier year included in the PAYE code for a later year.

In 2008-09 failing to:

1. declare the correct amount of national insurance benefits on the return;
 2. include the amount of underpayment from an earlier year included in the PAYE code for the return year;
 3. include the amount of underpayment from an earlier year included in the PAYE code for a later year;
 4. claim fixed rate expenses; and
 5. complete the tax paid on pension income on the SA return.
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1 Feb 2010 : Column 108W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many people paying tax through (a) self-assessment and (b) pay-as-you-earn were (i) overcharged and (ii) undercharged in (A) 2006, (B) 2007, (C) 2008 and (D) 2009; and what the difference was between the amount charged and the amount owed in each case in each such year; [312328]

(2) how many people were affected by errors in the (a) self-assessment and (b) pay-as-you-earn system in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312329]

(3) how many (a) pay-as-you-earn and (b) self-assessment cases there were in which the tax remitted did not match the end-of-year information in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312330]

(4) how many coding errors there were in respect of the (a) self-assessment and (b) pay-as-you-earn system in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [312407]

Mr. Timms: The information requested is available only at disproportionate cost, as the data is not centrally captured by HM Revenue and Customs' systems.

1 Feb 2010 : Column 108W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many of the self-assessment forms filed in (a) September and (b) January were processed manually in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [313941]

(2) what recent estimate he has made of the cost to his Department of processing self-assessment forms filed in (a) September and (b) January; [313942]

(3) how many self-assessment forms were filed in respect of the (a) September and (b) January deadline in (i) 2008 and (ii) 2009. [313974]

1 Feb 2010 : Column 109W

Mr. Timms: The information requested is not available. HM Revenue and Customs (HMRC) do not hold data for the number of self-assessment tax returns processed manually by whether they were received in September or January. The total number of self-assessment returns processed manually is provided in the following table.

<i>Tax return year</i>	<i>Self-assessment (individuals)</i>
2005-06	4,988,969
2006-07	4,118,006
2007-08	2,314,728
2008-09	Not yet available

No such estimate has been made.

In 2008 the self-assessments filing dates were changed, from 30 September and 31 January, to 31 October for paper returns and 31 January for online returns. The information requested is provided in the following table.

	<i>Tax return</i>
<i>2006-07</i>	
Filed by 30 September 2007	3,382,668
Total filed by 31 January 2008	8,250,952
<i>2007-08</i>	
Filed by paper 31 October 2008	2,616,666
Total filed by 31 January 2009	8,390,178

1 Feb 2010 : Column 109W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) what information his Department makes available to PAYE taxpayers on their annual tax calculation; [313958]

(2) how many P46 codes were used in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [313965]

(3) how many (a) PAYE and (b) self-assessment taxpayers challenged or appealed the amount they were charged for income tax in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [313967]

Mr. Timms: HM Revenue and Customs do not issue annual tax calculations to pay-as-you-earn (PAYE) taxpayers. PAYE customers who also meet the self-assessment (SA) criteria are required to complete an annual SA tax return. Further information on income tax self-assessment can be found at:

<http://www.hmrc.gov.uk/sa/index.htm>

The information requested is not available, as HMRC's systems do not record when employers operate tax codes based on the completion of a P46 form, or all the instances when a taxpayer may query the amount of tax they pay.

1 Feb 2010 : Column 109W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many tax code changes for benefits in kind are processed automatically following the receipt of P11Ds; [313959]

(2) how many P11Ds were processed (a) manually and (b) automatically in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [313961]

(3) what the average cost of processing a P11D (a) automatically and (b) manually was in the latest period for which figures are available; [313962]

1 Feb 2010 : Column 110W

(4) what the volume is of the backlog of P11Ds waiting to be manually processed; [313963]

(5) what the average income was of taxpayers who were (a) overcharged and (b) undercharged income tax in the latest year for which figures are available. [313969]

Mr. Timms: The information requested is provided in the following table.

<i>P11Ds</i>				
	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>
Total received	n/a	4,602,860	4,562,914	3,944,894
<i>Processed:</i>				
Manually	n/a	4,028,207	3,661,908	2,627,746
Automatically	383,898	574,653	901,006	1,317,148
Automatically coded ⁽¹⁾	n/a	n/a	1,786,351	n/a
⁽¹⁾ Figures for the numbers of P11Ds automatically coded were only produced for 2007-08 to test HMRC's system.				

1 Feb 2010 : Column 110W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what research has been commissioned or undertaken by HM Revenue and Customs since 2001-02 on (a) the number of self assessment taxpayers who under declare liability and (b) the levels of tax revenues which go undeclared; and if he will make a statement. [313964]

Mr. Timms: HM Revenue and Customs (HMRC) published 'Measuring Tax Gaps 2009' alongside the 2009 Pre-Budget Report, available at:

<http://www.hmrc.gov.uk/stats/measuring-tax-gaps.htm>

The report sets out:

an estimate of the proportion of those receiving an Income Tax Self Assessment tax return (individuals, partnerships and trusts) who had understated their tax liability for each year from 1999-20000 to 2004-05 and the levels of under declaration; and

an estimate of the proportion of small and medium-sized companies receiving a Corporation Tax Self Assessment return who had understated their tax liability for the financial years 2001-04, and the levels of under declaration.

At the end of 2008-09 18,211 P11Ds were outstanding, which HM Revenue and Customs have been unable to match to an individual record.

The information requested is available only at disproportionate cost, as the data is not centrally captured by HM Revenue and Customs systems

2 Feb 2010 : Column 216W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many P14 returns had to be processed manually in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [312152]

(2) what criteria are used to define a pay-as-you-earn case as a complicated case which requires manual processing; [312322]

(3) on how many databases the HM Revenue and Customs pay-as-you-earn computer systems operate by the end of the pay as you earn modernisation process. [312334]

Mr. Timms: The majority of employers now provide PAYE end of year information electronically, which does not require manual processing, and from 2009-10, with a few exceptions, all employers will have to do so.

Manual processing is required where an employer annual return is filed on paper. Whether an employer PAYE case is 'complicated' is not a factor in whether the employer annual return requires manual processing. The information requested is provided in the following table.

2 Feb 2010 : Column 217W

	<i>Employer annual returns received and processed manually</i>
2005-06	3,798,120
2006-07	3,413,174
2007-08	2,039,303
2008-09	1,766,424

In July 2009 HM Revenue and Customs introduced one single, national computer system (the National Insurance and PAYE Service) to replace the Computerisation of PAYE (COP) computer system that had handled PAYE for 20 years. The National Insurance and PAYE Service brings together all individuals' PAYE details onto one database, instead of the former 12 COP databases.

3 Feb 2010 : Column 369W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what sources of individual income are subject to withholding requirements. [315015]

Mr. Timms: The following sources of income may be subject to withholding and the withheld amount may be claimed by an individual in their self-assessment tax return as an off-set against their tax bill.

Investment income (interest from banks, building societies, unit trusts, securities etc. and dividends);

Certain state benefits (state pension lump sums and incapacity benefit);

Occupational pensions and retirement annuities;

Some life insurance policy gains;

Income from share schemes;

Employment income (including some lump sums and compensation payments);

Certain types of trading income, (including payments under the Construction Industry Scheme);

Property income (in some circumstances); and

Income from trusts, estates and income chargeable on settlers.

3 Feb 2010 : Column 369W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer with reference to page 9 of HM Revenue and Customs Resource Accounts 2008-09, HC (2008-09) 464, for what reason 4.5 million Pay-As-You-Earn (PAYE) cases will require clerical intervention under the National Insurance and PAYE Service's new PAYE system. [315016]

Mr. Timms: The National Insurance and PAYE Service brings together all of an individual's PAYE details (including employments, pensions and tax deducted) into one single record and currently holds approximately 44 million individual customer records. Clerical action is required by HM Revenue and Customs staff when expected details of pay and tax (from form P14) and/or expenses and benefits (from form P11d) have not been received by an employer or pension provider.

4 Feb 2010 : Column 521W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer when he expects the National Insurance and pay-as-you-earn system to be completed; what the project's initial cost was; and what its final cost is expected to be. [315014]

Mr. Timms: The last major IT release for the National Insurance and PAYE Service (NPS) will take place on 6 April 2010.

The original business case for the programme responsible for the delivery of NPS was produced in January 2007. This estimated the programme's cost at £262 million over the period 2004 to 2014, delivering estimated efficiency savings of £399 million.

Since 2007 there have been significant changes in the scope and delivery timeline of the programme including major changes to meet the latest security requirements. The overall cost of the programme is currently estimated at £397 million, covering the period from the start of the programme in 2004 to 2015, delivering estimated efficiency savings of £546 million over the same period. The programme's cost and efficiency savings estimates will be updated once delivery is complete.

8 Feb 2010 : Column 762W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer if he will set out the terms of reference and objectives of the Pay-As-You-Earn (PAYE) Improvement Group; when the PAYE Improvement Group was established; what the PAYE Improvement Group's (a) staff and (b) budget (i) was in each of the last three years and (ii) is expected to be in 2010; and what (A) documents and (B) reports the PAYE Improvement Group has produced to date. [315158]

Mr. Timms: HM Revenue and Customs' (HMRC) PAYE Improvement Group was created in 2005 to help the Department explore options for improving the operation of PAYE. The information requested is provided in the following table; the group has not produced any formal reports.

	<i>Staff numbers (FTE)</i>	<i>Budget- excluding staff costs (£)</i>
2006-07	3.5	15,980
2007-08	4.5	258,879
2008-09	5	99,770
2009-10	6.5	257,017

9 Feb 2010 : Column 931W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what procedures exist for a Pay-As-You-Earn taxpayer to obtain information from his Department on their annual tax calculation. [315983]

Mr. Timms: Pay As You Earn (PAYE) aims to collect the right amount of tax each year through the PAYE

9 Feb 2010 : Column 932W

code. Customers are encouraged to use the information provided on HM Revenue and Customs' (HMRC) website at:

www.hmrc.gov.uk/income/tax-codes.htm

to help them understand their PAYE tax code. If customers have concerns or believe they are being wrongly taxed, they should contact their tax office, which will be able to make any appropriate adjustments.

Information on how to find your tax office is available at:

<http://search2.hmrc.gov.uk/kbroker/hmrc/locator/locator.jsp?type=1>.

10 Feb 2010 : Column 1001W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) what the outcomes were of the HM Revenue and Customs annual review of errors in respect of automatically-processed Pay-As-You-Earn in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [312150]

10 Feb 2010 : Column 1002W

(2) what the all-cases accuracy rate was for (a) self-assessment and (b) Pay-As-You-Earn for (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312323]

(3) how many (a) self-assessment and (b) Pay-As-You-Earn cases were processed manually in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312324]

(4) what the accuracy rate was for (a) Pay-As-You-Earn and (b) self-assessment cases processed (i) automatically and (ii) manually in (A) 2006, (B) 2007, (C) 2008 and (D) 2009; [312325]

(5) what the tax effect accuracy rate was for (a) self-assessment and (b) Pay-As-You-Earn for (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312326]

(6) what the causes were of the tax effect errors in the (a) self-assessment and (b) Pay-As-You-Earn system in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312327]

(7) how many P35s were manually processed in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; [313960]

(8) what the tax effect error percentages for the collection of national insurance through PAYE were in (a) 2006, (b) 2007, (c) 2008 and (d) 2009. [313968]

Mr. Timms: The number of self assessment (SA) and Pay as You Earn (PAYE) returns processed manually is set in the following table.

<i>Tax return year</i>	<i>PAYE End of year returns</i>		<i>SA</i>
	<i>P35</i>	<i>P14</i>	<i>Individuals</i>
2005-06	539,150	3,798,120	4,988,969
2006-07	370,736	3,413,174	4,118,006
2007-08	277,045	2,039,303	2,314,728
2008-09	197,592	1,766,424	⁽¹⁾ -
⁽¹⁾ Not yet available			

The requested information on accuracy rates is set out in the following table. HM Revenue and Customs do not use the concept of 'tax effect errors' in the context of national insurance contributions.

<i>Percentage</i>				
<i>PAYE</i>	<i>All cases accuracy</i>	<i>Automatic process accuracy</i> ⁽¹⁾	<i>Manual process accuracy</i>	<i>Tax effect accuracy</i> ⁽¹⁾
2005-06	94.7	n/a	79.9	79.9
2006-07	95.1	99.8	82.1	82.1
2007-08	95.1	99.8	83.4	83.4
2008-09	96.2	99.8	83.5	83.5

⁽¹⁾ The PAYE tax effect accuracy results relate to those cases which require a manual intervention and which have been accurately processed to within £1.

Many of the SA cases recorded as not processed accurately will be due to the coding number not being reviewed. In the majority of cases, the coding error is corrected when the SA return is submitted and the taxpayer's tax calculation will ensure the correct amount of tax has been paid.

10 Feb 2010 : Column 1003W

<i>Percentage</i>				
<i>SA</i>	<i>All cases accuracy</i>	<i>Automatic process accuracy</i> ⁽¹⁾	<i>Manual process accuracy</i>	<i>Tax effect accuracy</i> ⁽²⁾
2005-06	75.3	n/a	75.3	96.5
2006-07	78.1	n/a	78.1	96.5
2007-08	80.5	n/a	80.5	97.6
2008-09	81.5	n/a	81.5	97.0

⁽¹⁾ There is no information available for SA cases processed automatically because the assumption is that they process with near 100 per cent. accuracy.
⁽²⁾ The self-assessment tax effect accuracy relate to those self-assessment taxpayers whose tax bill is accurate to within £1.

The main causes of tax effect errors is provided on page 20 of the National Audit Office publication "Accuracy in processing Income Tax", available at:

10 Feb 2010 : Column 1003W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer whether he has made an assessment of the merits of collecting income tax from state pensions through the PAYE system. [316502]

Sarah McCarthy-Fry: No such assessment has been made.

The majority of pensioners have their state pensions appropriately taxed through the operation of Pay-As-You-Earn on their other sources

10 Feb 2010 : Column 1003W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer if HM Revenue and Customs will publish its roadmap to show how component programmes contribute to the achievement of its strategic objectives, with reference to paragraph 3.6 of the National Audit Office's 2008 Report on HM Revenue and Customs Transformation Programme. [316115]

Mr. Timms: HM Revenue and Customs' (HMRC) Business Plan for 2009-10 was published on April 2009, and is available at:

<http://www.hmrc.gov.uk/about/business-plan-vision.pdf>

The Business Plan sets out how the Department intends to deliver its corporate Vision and to achieve the six strategic objectives that underpin it. It also sets out details of HMRC's major change and transformation programmes and explains how these contribute to the delivery of both the strategic objectives and other legislative and policy commitments.

10 Feb 2010 : Column 1004W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many (a) P45s and (b) P46s HM Revenue and Customs received from employers in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [316117]

(2) how many user errors occurred in filling out (a) P45s and (b) P46s during (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [316118]

(3) how many employment history enquiries relating to P46s were (a) sent to individuals and (b) received back by HM Revenue and Customs in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [316120]

Mr. Timms: The information requested is available only at disproportionate cost, as the data are not centrally held by HM Revenue and Customs' systems.

10 Feb 2010 : Column 1004W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many people were on (a) self-assessment and (b) Pay-As-You-Earn in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [312151]

Mr. Timms: The information requested is provided in the following table. Some individuals may be in both Pay as You Earn (PAYE) and self assessment.

<i>Estimated number of individuals (million)</i>		
<i>Tax year</i>	<i>Self assessment</i>	<i>PAYE</i>
2005-06	9.0	35.6
2006-07	9.1	36.0
2007-08	9.3	37.3
2008-09	9.3	37.7

10 Feb 2010 : Column 1004W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) how many (a) Pay-As-You-Earn and (b) self-assessment cases remained open during (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009; [312333]

(2) when the most recent audit of open P14 cases was undertaken; and what statistics were collected for the purposes of that audit; [313935]

10 Feb 2010 : Column 1005W

(3) when the most recent audit of open PSN cases was undertaken; and what statistics were collected for the purposes of that audit. [313936]

Mr. Timms: The terms "open PSN case" and "open P14 case" are not used by HM Revenue and Customs (HMRC).

PAYE open cases arise when HMRC is unable to match the pay and tax details submitted by their employer on form P14 to an individual's tax record or a match is made but the pay and tax do not reconcile and further work is needed to establish the correct tax position. This is a normal part of the PAYE process.

The most recent internal audit review of PAYE open cases took place in March 2009, and reviewed the accuracy of clearance of 2007-08 PAYE open cases. HMRC's internal audit function checked a sample of cases and found that the accuracy achieved in clearing open cases was 95 per cent.

HMRC do not use the term "open cases" in relation to self-assessment. Under self-assessment a case is cleared once the self-assessment tax return has been filed.

Information on the number of open PAYE cases is available at:

For 2005-06 and 2006-07-25 June 2007, *Official Report*, column 388W.

For 2007-08 and 2008-09 in HMRC's Annual Accounts:

<http://www.hmrc.gov.uk/about/hmrc-dep-acct0708.pdf>

<http://www.hmrc.gov.uk/about/hmrc-accs-0809.pdf>

From 2009, the introduction of the new National Insurance and PAYE Service (NPS) will automate matching and processing of data sufficient to reduce the number of cases needing clerical intervention (exception cases) to less than 4.5 million each tax year. HMRC aims to clear these cases during the same year in which they occur so backlogs should no longer accrue.

For the open cases existing when NPS went live HMRC have three pieces of work planned to reduce the existing open cases:

1. An Open Case Clearance Project in PAYE/SA Processing that deploys software to identify cases where an under or overpayment is due, or where the record is accurate and can be closed.
 2. HMRC is working with an independent firm, on those open cases which are open because they do not appear to match to an existing record, to data match open cases with a wider range of data.
 3. The Department will risk assess the remaining cases, prioritising those where repayments may be due, before starting a clerical review of the remaining cases in April 2010, which will continue until all backlogs have been worked.
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22 Feb 2010 : Column 220W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the outcomes were of the proof of concept trials undertaken by HM Revenue and Customs, the Department for Work and Pensions and 12 local authorities as referred to in the report on service transformation by Sir David Varney. [313940]

Mr. Timms: The pilot exercise referred to formed part of the "In and Out of Work" project, designed to encourage those who frequently move in and out of work and who claim benefits and/or tax credits to take up employment. It was also designed to improve customers' experience of dealing with government by reducing the number of times they have to engage with government services and the amount of information they have to provide.

22 Feb 2010 : Column 221W

The pilot exercise showed that collaborative work between HM Revenue and Customs, the Department for Work and Pensions and local authorities resulted in:

a 15 per cent. reduction in the average time taken to make payments of benefits to customers; and

evidence that the process prevented overpayments of tax credits by ensuring that payments were adjusted quickly when a customer left employment and that housing benefit payments were adjusted more quickly in response to changes in employment.

This improvement for housing benefit processing times was coupled with a significant reduction in the resource required to process these claims, as local authorities no longer have to contact customers for details of their circumstances.

Customer research following the exercise indicated that:

84 per cent. of customers who went through the process now understood the information that was needed to adjust their housing benefit and council tax benefit payments;

48 per cent. of customers with previous experience of claiming benefits stated that the pilot process improved the service that they received; and

77 per cent. of customers rated the way the organisations worked together as good.

The improved customer perception of the service also reduces customers' concerns around how their benefit claims will be handled. This in turn encourages them to take up work, particularly short-term work, confident that they will receive the right support from government when they most need it.

Following this successful pilot exercise, on 16 October 2008 the Government announced the phased national roll out of the service, which was completed in December 2009.

22 Feb 2010 : Column 230W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer whether an individual's PAYE case is automatically cleared when HM Revenue and Customs (HMRC) does not receive back an employment history enquiry; and how many PAYE cases were cleared after HMRC received back an employment history enquiry from individuals in (a) 2006, (b) 2007, (c) 2008 and (d) 2009. [316119]

Mr. Timms: Pay-as-you-earn (PAYE) aims to collect the right amount of tax each year through the PAYE tax code, which is based on the latest information available to HM Revenue and Customs (HMRC).

Where an individual's employment history appears incomplete HMRC will ask the customer for their employment history either during or at the end of the tax year. If

the individual does not respond then the tax code will continue to be based on the most current information available and the case cleared at the end of the tax year.

Customers are encouraged to use the information provided on HM Revenue and Customs' (HMRC) website at:

www.hmrc.gov.uk/income/tax-codes.htm

to help them understand their PAYE tax code. If customers have concerns or believe they are being wrongly taxed, they should contact their tax office, which will be able to make any appropriate adjustments irrespective of whether the case has been cleared.

Information on how to find your tax office is available at:

<http://search2.hmrc.gov.uk/kbroker/hmrc/locator/locator.jsp?type=l>

The information requested is not available, as HM Revenue and Customs' systems do not capture details of the number of PAYE cases cleared following receipt of a completed employment history inquiry form.

22 Feb 2010 : Column 233W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the HM Revenue and Customs employee headcount was for its (a) PSN and (b) information management services department in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [312146]

Mr. Timms: The information requested is provided in the following table:

<i>Employee headcount</i>		
	<i>HM RC directorate</i>	
	<i>IMS (Information Management Services)</i>	<i>PSN (PAYE, SA and NIC)</i>
April 2009	1,428	372
April 2008	1,499	350
April 2007	1,743	388
April 2006	1,997	334

22 Feb 2010 : Column 234W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what forms of individual income are subject to withholding tax but are not part of the Pay As You

Earn system; and how the amount to be withheld is calculated on those forms of income. [316948]

Mr. Timms: The Pay As You Earn (PAYE) system applies to income from employment and pensions. Other individual income, outside PAYE, and subject to withholding tax is as follows.

Investment income from banks and building societies has basic rate tax deducted at source by the payer. Individuals who are not liable to tax can arrange to receive their income paid gross or claim a repayment, and those who should only be paying at the 10 per cent. savings rate can claim a repayment.

Interest distributions paid by authorised investment funds and investment trust companies are also subject to deduction of basic rate tax at source. Individuals with no liability or reduced liability can claim a repayment.

22 Feb 2010 : Column 235W

Other interest, annual payments and patent royalties payable to individuals are subject to deduction of basic rate tax at source. This is treated as if it were tax paid by the recipient, who then only has a tax liability on the gross amount of the payment if they are higher rate taxpayers.

Dividends are not subject to deduction of basic rate tax at source. However, individuals who receive dividends from UK and most non-UK companies are entitled to a non-payable tax credit designed to compensate for tax paid on corporate profits at the company level, and this is used to satisfy the tax liability of the recipient if they are liable to basic rate tax only. The recipient will then only have an additional liability if liable to higher rate tax on the amount of the dividend plus tax credit. Dividend distributions paid by authorised investment funds are treated in the same way.

Gains from certain life insurance policies are treated as income. Although there is no direct system of tax withholding, insurers are charged corporation tax on returns ultimately attributable to their policyholders. To reflect this, individuals with policies from UK life insurers will be treated as though they have paid basic rate tax on gains they realise from these policies.

Payments under purchase life annuities are subject to deduction of basic rate tax at source on the part of each payment that represents income rather than a return of the original capital used to acquire the annuity. Basic rate tax is deducted from this income by the insurer making the annuity payments and is treated as tax paid by the annuitant.

Income from construction contracts of any individual subcontractor registered for payment under deduction in the Construction Industry Scheme will be subject to a deduction of 20 per cent. on the amount which does not represent the direct cost of materials.

The non resident Landlords Scheme requires UK letting agents to deduct basic rate tax from any rent they collect for non resident landlords from UK property. If non resident landlords do not have UK letting agents acting for them, and the rent is more than £100 a week, their tenants must deduct the tax. When working out the amount to tax the letting agent/tenant can take off deductible expenses.

Property income distributions paid by UK REITs (Real Estate Investment Trusts) or by Property Authorised Investment Funds (PAIFs) are also subject to deduction of tax at the basic rate.

The taxation of income from trusts, other than bare trusts, depends upon whether the income is discretionary or an immediate entitlement. Discretionary payments from trusts which are not settlor-interested carry a credit at the trust rate. Where there is an income entitlement the trustees account for tax on that income and the beneficiaries receive credit for any tax payable by the trustees, along with any tax deducted at source and tax credits. The rate depends upon the nature of the income, 10 per cent. on dividend type income and basic rate on other income.

The treatment of income from estates is similar.

Where settlors are taxable on income arising to a trust, the trustees account for tax on that income as recipients. The settlor receives credit for any tax payable by the trustees along with tax deducted at source and any tax credits, for example attaching to dividends. The rate of tax chargeable on the trustees depends firstly on the nature of the trust and then on the nature of the income.

24 Feb 2010 : Column 630W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many (a) P14 and (b) P35 returns required clerical action in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [316949]

Mr. Timms: The information requested is available only at disproportionate cost, as the data are not held centrally.

24 Feb 2010 : Column 630W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many (a) P14 and (b) P35 returns required clerical action in (i) 2006, (ii) 2007, (iii) 2008 and (iv) 2009. [316949]

Mr. Timms: The information requested is available only at disproportionate cost, as the data are not held centrally.

1 Mar 2010 : Column 919W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what the objectives are of the (a) pensions simplification, (b) tax credits, (c) taxpayer understanding, (d) web convergence, (e) integrated customer management, (f) data quality and (g)

customer foundations change and improvement programme under HM Revenue and Customs' Departmental Transformation Programme. [316944]

Mr. Timms: The information requested is as follows:

Pensions Simplification

This programme was part of the Government's agenda to reform pensions to encourage more people to save for their retirement, and to reduce the compliance costs of the pensions industry. The programme successfully delivered an online service in two phases. The first was completed in April 2006 and provided online registration for new pension schemes. The second, in April 2007, delivered an online service to file pension scheme returns.

1 Mar 2010 : Column 920W

Tax Credits

This programme was established to deliver targeted service improvements, to help customers get their claim right and improve the customer experience. It is still in progress.

Taxpayer Understanding

This was a research project to gain a detailed understanding of customer behaviour. This programme was originally a strand from the Customer Foundations programme and closed in March 2008.

Web Convergence

This programme was developed to transform the Department's website to converge content with the cross-Government portals, Directgov and Businesslink. The Businesslink Convergence programme is still in progress, and due to complete by April 2011.

Integrated Customer Management

This programme was designed to deliver services and processes structured around the customer to improve efficiency, compliance and the customer experience; it was closed in February 2007.

Data Quality

This programme was designed to improve data integrity and facilitate the merger of data in legacy systems; it was closed in March 2007.

Customer Foundations Change and Improvement (also known as Customer Foundations)

This programme was developed to help drive organisational and operational change, to deliver transformed services to customers, reduce cost and improve compliance. The programme ran from October 2006 and closed in March 2007.

1 Mar 2010 : Column 920W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many (a) staff and (b) consultants were employed in each business unit of HM Revenue and Customs in (i) 2006, (ii) 2007 and (iii) 2008. [313938]

Mr. Timms: The information requested is in the following table.

HM Revenue and Customs' reorganisation of its business units and transfers of staff and responsibilities between units means that staff numbers over a period may not be directly comparable.

1 Mar 2010 : Column 921W

1 Mar 2010 : Column 922W

	2006		2007		2008	
<i>Directorate</i>	<i>Headcount</i>	<i>Full-time equivalent</i>	<i>Headcount</i>	<i>Full-time equivalent</i>	<i>Headcount</i>	<i>Full-time equivalent</i>
Adjudicator's Office	40	39.33	42	41.42	41	40.44
Anti-Avoidance Group	117	114.33	110	107.04	116	112.30
Benefits and Credits	67	65.52	100	98.33	-	-
Benefits and Credits-Delivery	-	-	-	-	7,100	6,361.97
Benefits and Credits-Product and Process	-	-	-	-	104	102.49
Business	89	86.85	214	207.01	225	218.09
Central Compliance	31	31.00	40	39.64	304	292.18
Central Policy	207	200.77	164	157.40	159	152.66
Charity, Assets and Residence	2,017	1,902.01	1,952	1,832.91	1,899	1,775.18
Commercial Directorate	148	141.79	163	156.06	136	130.20
Communication	180	174.56	190	184.14	233	224.68

s and Marketing						
Corporate Shared Services	-	-	-	-	1,675	1,566.74
Corporation Tax and VAT	323	309.53	335	322.03	345	329.98
Criminal Investigation	1,635	1,600.51	1,860	1,817.53	1,856	1,810.45
Customer Contact	11,507	10,664.37	13,217	12,294.18	12,586	11,766.70
Customs and International	283	271.60	296	284.86	310	297.27
Debt Management and Banking	10,304	9,316.74	9,668	8,683.12	8,777	7,874.11
Departmental Transformation Programme and Capability Review	-	-	-	-	58	56.44
Detection	4,445	4,335.50	4,633	4,513.80	4,586	4,459.87
Estates and Support Services	3,361	3,186.55	2,852	2,687.78	2,249	2,125.79
Excise and Stamp Taxes	335	322.06	289	275.96	-	-
Excise, Stamp and Money Businesses	-	-	-	-	319	305.01
Finance	-	-	-	-	423	395.02
Finance and Internal Audit	1,167	1,081.92	1,015	930.58	-	-
Governance and Security	-	-	-	-	225	217.85
HR and Learning	2,139	2,021.16	1,827	1,728.32	-	-
Individuals	-	-	-	-	87	85.52
Individuals Customer Unit	30	29.34	39	38.53	-	-
Information Management Solutions	1,997	1,912.13	1,743	1,678.96	1,499	1,443.98
Internal Audit	-	-	-	-	149	145.40
Knowledge,	718	688.00	642	612.88	581	552^88

Analysis and intelligence						
Large Business Service	1,875	1,826.31	1,814	1,759.79	1,761	1,704.02
Legal and Governance	422	404.90	529	507.68	-	-
Local Compliance	17,807	16,777.31	16,062	15,089.48	15,429	14,461.50
National Processing	12,369	10,839.48	10,991	9,713.55	-	-
National Teams and Special Civil Investigations	2,937	2,790.52	3,713	3,531.57	2,024	1,948.15
Organisational Development	61	59.11	46	44.81	-	-
Pacesetter	-	-	-	-	15	14.75
PAYE and SA Processing	19,134	16,967.30	17,205	15,100.49	20,781	18,228.92
PAYE, SA and NIC	334	323.86	388	373.17	350	335.65
People Function	-	-	-	-	286	274.88
Risk and Intelligence	4,569	4,318.36	4,296	4,049.72	3,833	3,598.25
Security and Business Continuity	77	73.31	71	67.81	-	-
Solicitor's Office	-	-	-	-	387	367.01
Strategy Unit	9	9.00	4	4.00	-	-
Workforce Change	-	-	-	-	53	51.51
Total	100,734	92,885.05	96,510	88,934.55	90,961	83,827.84

Information on the number of individual consultants employed is not held centrally by the Department and could be provided only at disproportionate cost.

1 Mar 2010 : Column 922W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer (1) what accuracy statistics are recorded by the HM Revenue and Customs Quality Monitoring Exercise each month; [312148]

(2) what accuracy statistics his Department's Quality Monitoring Exercise records each month. [312149]

Mr. Timms: The following accuracy statistics are collated internally by HM Revenue and Customs (HMRC) on a monthly basis as part of the quality monitoring exercise in relation to self assessment.

Sample checks are made:

to record whether the self assessment return has been correctly recorded on the Department's systems on the right date and on the right record;

to establish that the tax bill is correct, that any necessary corrections have been made and any repayment has been made in the right amount to the right person at the right address;

to establish that any claims to adjust payments on account have been processed accurately and on time;

that any balancing payments have been correctly dealt with;

to establish that the code number for the current year and subsequent year is correct;

to ensure the Department's procedures have been followed to correct obvious errors; and

1 Mar 2010 : Column 923W

that the Department's systems have been updated with any changes reflected in the return.

The following accuracy statistics are collated internally by HMRC as part of the quality monitoring exercise in relation to pay-as-you-earn.

Sample checks are made to record whether:

the code number for the current year and subsequent year is correct;

the liability reviewed for any earlier year is correct;

any tax calculation issued is correct;

any payable order has been issued in the correct amount and issued to the right person at the right address; and

the Department's systems accurately reflect known taxpayer details.

2 Mar 2010 : Column 1020W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer how many self-assessment forms required clerical action in (a) 2006, (b) 2007, (c) 2008 and (d) 2009; and for what reasons a self-assessment case may require clerical action. [316950]

Mr. Timms: Information on the circumstances in which clerical action may be required on a self-assessment (SA) return is contained in Her Majesty Revenue and Customs' SA instruction manual, available at:

<http://www.hmrc.gov.uk/SA/index.htm>

The information requested on how many self-assessment returns required clerical action is available only at disproportionate cost as HMRC's systems do not capture this.

4 Mar 2010 : Column 1336W

Mr. Liddell-Grainger: To ask the Chancellor of the Exchequer what HM Revenue and Customs Customer Service Survey overview reports were produced for (a) 2007, (b) 2008 and (c) 2009; and where such reports are published. [312154]

Mr. Timms: The Customer Service Survey overview report for 2007 is available at:

<http://www.hmrc.gov.uk/research/>

HM Revenue and Customs is currently finalising the report of the 2008-09 Customer Survey and will publish it on the Department's website in due course.

Unanswered Parliamentary Questions

Mr Ian Liddell-Grainger (Bridgwater): To ask Mr Chancellor of the Exchequer, with reference to paragraph 6.43 of HM Revenue and Customs 2008-09 Accounts, for what reasons items are placed in the suspense files; what the definition is of an item; what will be done with these items once the National Insurance and PAYE Service (NPS) is fully implemented; and what his estimate is of the number of items which will be added to suspense files each year once NPS is fully implemented.

Mr Ian Liddell-Grainger (Bridgwater): To ask Mr Chancellor of the Exchequer, what progress has been made on identifying ways in which HM Revenue and Customs, the Department for Work and Pensions and other Government departments can better maintain a core database of business identities referred to in the report on service transformation by Sir David Varney.

Mr Ian Liddell-Grainger (Bridgwater): To ask Mr Chancellor of the Exchequer, how much it cost to operate PAYE, Self Assessment and national insurance in (a) 2006, (b) 2007, (c) 2008 and (d) 2009, broken down by budget heading.