

## HMRC is in need of reform

Published: January 13, 2026, 3:11 pm

---

The [Guardian notes](#):

*Morale inside Revenue & Customs (HMRC) is so low that government plans to tackle aggressive [tax avoidance](#) are in jeopardy, according to a report today by an influential group of MPs.*

The Treasury select committee describes the situation as "dire" and "deeply troubling" and calls on senior managers to put in place changes "to ameliorate the situation".

In a report focusing on the workings of all departments under chancellor [Alistair Darling](#), the MPs also warned that Treasury staff faced burn-out due to the pressures of handling the financial crisis while pressing ahead with "efficiency programmes".

"It is important that departments do not take this commitment for granted and continue to monitor for signs of burn-out and over-stretch," it warned.

I know some of these people. I know these comments are true.

One reason is obvious:

*Cuts have left the department with 78,695 employees compared to almost 100,000 in 2004-05.*

There's not an accountant anywhere who has not moaned about the reduced quality of service that has resulted, and the significant increase in cost to society that is the consequence.

And Tory MP Michael Fallon was right to say:

*"We are particularly alarmed by the low of staff morale and engagement at HMRC, and its effect on performance. We are deeply troubled by the apparent absence of any plan to ameliorate the situation, and call on HMRC management to re-double their efforts here."*

*He also cited concerns that HMRC attempts to close a £7bn tax gap were being undermined by poor staff relations and a lack of clear data. He said: "The absence of regular public reporting on milestones by HMRC is a major obstacle to both effective scrutiny and performance."*

Again, he's exactly right.

As a report I have written for [PCS on these issues will be saying, shortly.](#)