

# Sacking staff at HMRC has cost the country at least Â£...

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The Associated Press summary of the [Parliamentary Accounts Committee report](#) on the effectiveness of HMRC says:

*Job cuts among revenue officials meant GBP1.1 billion less unpaid tax was recouped than could have been, a public spending watchdog said.*

*The influential public accounts committee praised an HM Revenue and Customs crackdown which has brought in an extra GBP4.32 billion in five years - 11 times what it cost.*

*But it said the decision to axe 3,300 posts at the same time appeared to have undermined its effectiveness and urged caution over further reductions.*

*"We are not convinced that the decision to reduce staff numbers working in this area in the past represented value for money for the taxpayer," it said.*

I've long argued this.

I'm delighted to see parliamentarians agree.

And that they also agree that the rate of return on investment in new staff is very high.

I argue we should spend at least £1 billion more on 20,000 new staff at HMRC.

And if, as I'm recommending in a report to be published by PCS today, we make some changes in legislation as well, delivering a truly effective general anti-avoidance rule, means to identify which small companies are really trading and country-by-country reporting, amongst other things, then I am still convinced that the Revenue's ambitions on tax collection are far too modest. I believe we could recover at least £20 billion. The PAC does not go that far - but they agree with me that HMRC is far too timid.

And what everyone but HMRC and the Tories seem to agree upon is that if we want to

close the deficit then this is the way to do it - and that austerity is not.

The time for a radical change in our approach to tax management has arrived.