

Funding the Future

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One of the tasks entrusted to HM Revenue & Customs is enforcement of the minimum wage. Unfortunately they don't do it well. [As the Guardian reports](#):

The coalition's record on low pay has come under attack as new figures revealed that not a single company has been prosecuted in the past year for paying less than the national minimum wage. Despite ministers' claims that the government is [getting tough on under-payers](#), the last successful criminal prosecution was in February 2013.

That was one of only two prosecutions during the government's entire term of office to date, according to figures given to parliament. The cases involved the imposition of fines to the value of £3,696 on an opticians in Manchester and £1,000 on a security company in London.

Now don't get me wrong: I am well aware that action to enforce the minimum wage does not always involve prosecution and that orders to enforce wages and make back payments are made. I also know that because of strenuous efforts made by MPs, campaigners and unions plans to cut the budget of this unit were abandoned, but all that being said prosecution plays a role in law enforcement and this unit is not delivering.

I very strongly suspect that this is because of budget cuts that are undermining all of HMRC's work and which punish the least well off in our society the hardest. Justice denied to those who are not even paid the minimum wage is very harsh justice indeed, and I think it is a major failing on HMRC's part that it is not making prosecution of those abusing in this way a priority. If HMRC's job is to uphold society - and that is a key role for any tax agency - then publicly failing to indicate its willingness to pursue those who do not pay their staff in accordance with the law is a significant corporate failure on its part that can only reflect a failure of corporate culture at the top of HMRC.

The case for reform of this failing institution is made, yet again.