

HMRC's scrapping its new tax offices. It should be scra...

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The National Audit Office [issued a statement last night](#) saying:

By reducing the number of its offices and moving to a regional centre model HM Revenue & Customs (HMRC) hopes to significantly reduce its running costs and modernise the way it works. However, in a report released today, the NAO stated that HMRC has recognised that its original plan was unrealistic and is considering how it can adjust the scope and timing of the programme to reduce the cost and delivery risk. Any changes will need to be carefully managed to avoid diminishing the long term value of the strategy.

I have long criticised this HMRC plan.

It took tax out of the communities where it belongs.

It denied people access to a tax office.

It was bound to cause massive disruption to HMRC staff.

It was going to cost HMRC many of its most experienced staff who would not want to move late in their careers.

It was a massive threat to good governance: the risk was that there would be few staff transfers between the remaining offices and distinctly different work practices, errors and prejudices, fundamentally threatening the supply of a national tax service on a consistent basis.

For all these reasons it was a disaster in the making from the outset.

Supposedly the change in plan is down to property related issues but its clear that is not really true. As the NAO says near the end of its report:

HMRC has yet to define fully how regional centres will support better customer service and more efficient and effective compliance activities. HMRC has signed the contract

for its first regional centre in Croydon, but faces a demanding timetable to occupy the site as it plans in 2017.

In other words, HMRC has no idea why its doing this reorganisation, what it will gain from doing it or how to do it. As a definition of failure goes that is pretty spectacular.

As I have said many times before, HMRC does not have a senior management fit for purpose. That is because they do not put the provision of fair taxation for the benefit of the people of this country at the heart of their thinking. If they had this plan would never have seen the light of day. Now it needs to be scrapped, and HMRC's senior management needs to depart along with it to be replaced by a management team that believes that tax is at the heart of society and that delivering fair tax is fundamental to the creation of a society in which all have a chance. And that means there has to be a tax office in every significant town in this country because tax justice is not possible otherwise.