Press release: Low tax gap results in £71 billion for UK public services

The tax gap for 2016 to 2017 is 5.7%, HM Revenue and Customs (HMRC) confirmed today.

Had the tax gap remained at its 2005/06 level the UK would have lost £71 billion in revenue destined for public services.

The tax gap is the difference between the tax that should be paid to HMRC and the actual tax that has been paid. Keeping the tax gap consistently low is a result of HMRC's work to help customers get things right from the start, and the department's sustained efforts to tackle evasion and avoidance.

The tax gap trend shows a long-term decline — it has reduced from 7.3% in 2005 to 2006 to an estimated 5.7% in 2016 to 2017, or £33 billion. This is the same percentage tax gap as for 2015 to 2016, which has been revised down from last year's estimate of 6%.

Mel Stride, Financial Secretary to the Treasury, said:

These really positive figures show that the tax gap is the lowest in the last 5 years, which reflects the hard work that HMRC and I have been doing to ensure we support businesses to pay the right tax at the right time and clamp down on tax evasion and avoidance.

Collecting taxes is essential for funding our vital public services such as the NHS — indeed, had the tax gap remained at its 2005/06 level the UK would have lost £71 billion in revenue destined for public services, enough to build 200 hospitals.

Key findings from the Measuring the Tax Gap publication include:

- small businesses made up the largest proportion of unpaid tax by customer group at £13.7 billion;
- taxpayer errors and failure to take reasonable care made up £9.2 billion of unpaid taxes by behaviour, while criminal attacks made up £5.4 billion:
- income Tax, National Insurance Contributions, and Capital Gains Tax made up the largest proportion of the tax gap by tax type at £7.9 billion for 2016 to 2017, equivalent to 16.4% of Self Assessment liabilities;
- the VAT gap showed a declining trend over time, falling from 12.5% in 2005 to 2006 to 8.9% in 2016 to 2017.

Jon Thompson, HMRC's Chief Executive, said:

The UK is the only country in the world to regularly publish their

tax gap in detail and at 5.7%, it remains at its lowest for five years. I am pleased that the downward trend shows HMRC and HM Treasury's continued hard work to tackle evasion and avoidance is working.

HMRC is also working hard to help taxpayers get their tax right by offering support and investing in digital services to improve businesses' record keeping and reduce errors.

HMRC is working with small businesses to help them get their tax right first time around. The department aims to make sure the tax system is not a barrier to setting up, running and growing a business; which is why the department offers businesses support and provides information, to help businesses start up, sustain and grow.

HMRC is continuing to roll-out Making Tax Digital (MTD) for businesses. Once fully operational, MTD will help to reduce the tax gap by helping to prevent error and failure to take reasonable care. Digital record keeping combined with a modern, more automated tax system will help businesses get their affairs right the first time.

Notes for Editors

- 1. Measuring the Tax Gap 2018 can be found here
- 2. Since 2010, HMRC has secured and protected over £175 billion in additional tax revenue as a result of actions to tackle tax evasion, tax avoidance, and non-compliance.
- 3. HMRC has been measuring the tax gap annually since 2005 to 2006.
- 4. HMRC is the only revenue authority in the world that measures and publishes the tax gap in this level of detail, covering both direct and indirect taxes, every year. It publishes the tax gap because the department believes it's important to be transparent in their work.
- 5. Follow HMRC's Press Office on Twitter @HMRCpressoffice
- 6. HMRC's Flickr channel

News story: Changes to the Lord Chancellor's exceptional funding guidance for inquests

Funding for representation at inquests is currently provided under the exceptional case funding scheme. The Lord Chancellor's guidance, which lists the factors caseworkers must consider when granting funding, will be updated to better support families going through the application process.

The guidance now makes it clear that legal aid is likely to be awarded for representation of the bereaved at an inquest following the non-natural death or suicide of a person detained by police, in prison or in a mental health unit.

It adds that particular consideration should be given to the circumstances of the bereaved, for example the distress and anxiety suffered as a result of the death, when caseworkers are deciding whether to apply the financial means test.

Additionally, changes will be made to ensure that only the individual applicant's financial means will be tested and not the means of family members, helping to ease the burden of the application process.

A Ministry of Justice spokesperson said:

We understand the inquest process can be difficult and have every sympathy for the family of the deceased.

These changes will reduce the stress and anxiety as far as possible for cases involving deaths in custody.

We have committed to reviewing the availability of legal aid for inquests more widely and intend to publish our findings later this year.

Today's changes come in advance of a wide-ranging review of the availability of legal aid for inquests.

The government will shortly open a call to evidence for those affected to share their experiences of the inquest process, to help inform the role of legal representation.

This review will sit alongside the Post Implementation Review of the reforms made under LASPO and will report back later this year.

Notes

- <u>Lord Chancellor's Exceptional Case Funding Guidance (Inquests)</u> can be found on GOV.UK
- for cases where the state has a procedural obligation to hold an inquest under Article 2 of the European Convention on Human Rights (right to life), caseworkers have the ability to waive the financial means test
- waiving the means test means that an applicant who would not ordinarily satisfy the means test criteria might still be eligible for legal aid in these cases

Press release: River coarse fishing season starts tomorrow

It's a great time to get out there and go fishing, but the Environment Agency is reminding anglers to make sure they have a fishing licence before they go.

You can buy a <u>fishing licence</u> online and don't forget that all fishing licence income is used to fund work to protect, improve and develop fisheries, fish habitats and angling. If you want to fish a new river this season, why not visit <u>fishinginfo</u> to find details of different venues, river levels and angling clubs.

Volunteers helping to tackle illegal close season angling

The Environment Agency reported 87 close season offences during the first 10 weeks of the annual restricted period for coarse fish. Officers undertook 729 targeted patrols, also detecting 115 other offences, mainly unlicensed fishing, but also several illegally set traps.

Environment Agency Fisheries Enforcement Officers were supported again by Angling Trust Voluntary Bailiff Service members on Operation CLAMPDOWN. Now in its sixth year, Operation CLAMPDOWN is a joint initiative between the Environment Agency, Angling Trust's Fisheries Enforcement Support Service and police forces, aimed at gathering intelligence about illegal fishing and responding through targeted patrols.

Patrols took place across rivers, streams, drains and on specific canals and stillwaters that still retain the close season.

Kevin Austin, Environment Agency Deputy Director Agriculture, Fisheries and the Natural Environment, said:

It's a great time to go fishing. So I'd encourage anglers to get out there, enjoy yourselves fishing and make sure you are doing the right thing.

I'd like to thank the Angling Trust volunteers for the significant role they play in stopping illegal fishing through their work on Operation CLAMPDOWN.

The vast majority of anglers fish legally; sadly there are a small number of anglers who cheat others by fishing during the close season. It is still possible for anglers to fish during this time on many stillwaters and canals, which are open all year round.

We respond to the intelligence we receive about illegal fishing by ensuring our patrols are targeted at the right places — and the right people.

Dilip Sarkar MBE, Angling Trust National Enforcement Manager, said:

These figures show that during Operation CLAMPDOWN 6 Volunteer Bailiffs throughout England are demonstrating their massive commitment to protecting fish and fisheries and cracking down on illegal fishing.

All anglers can help this process, in fact — at any time of year — by reporting information and offences in progress to the Environment Agency on 0800 80 70 60, or the police on 101/999 as appropriate."

Anyone who suspects illegal fishing to be taking place should report the matter to the Environment Agency's incident hotline on 0800 80 70 60.

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News story: Passenger trapped in tram door and dragged a short distance at Bury

At around 13:33 hrs on 30 May 2018, a passenger was dragged by a tram after his hand became trapped in the closed doors of the rear vehicle. The departing tram stopped in the platform after moving about 15 metres. The driver reopened the doors and the passenger boarded the tram.

We have undertaken a <u>preliminary examination</u> into the circumstances surrounding this incident. Having assessed the evidence which has been gathered to date, we have decided to publish a <u>safety digest</u>.

The safety digest will be made available on our website in the next few weeks.