

# 2007 Pre-Budget Report and Comprehensive Spending Review

## The Chancellor's Departments

### Focusing on Customers

Over the 2007 Comprehensive Spending Review (CSR07) period the Chancellor's Departments will implement an ambitious programme to increase value for money while driving up the quality of services provided to customers. This will enable:

- HMRC to modernise its business processes to increase the quality and efficiency of revenue collection and payment of tax credits; and
- HM Treasury to continue to maintain sound public finances and ensure high and sustainable levels of economic growth, well-being and prosperity for all.

As announced at Budget 2006, the Departments will have access to a £330m modernisation fund to enable them to take forward value for money and transformation programmes generating annual net cash-releasing savings of over £700m by 2010-11. This will enable them to deliver their priorities within budgets that reduce in real terms by 4.9 percent each year.

HMRC will:

- invest in a modern, high capacity IT infrastructure to support higher take-up of online services, more efficient processing and communication of information and better risk-based compliance checks; and
- lead cross-government efforts to make [businesslink.gov.uk](http://businesslink.gov.uk) the prime online channel for government information and transactions with all businesses in the UK by 2011.

Jane Kennedy, the Financial Secretary to the Treasury, today said:

"HMRC has succeeded in delivering substantial cash savings while maintaining a high standard of service, during a period of major restructuring. I am grateful for the energy and commitment demonstrated at every level by

the staff of the department, which has contributed to this progress. I am confident that over the CSR07 period, they can build on these achievements and continue to deliver improvements as part of their wider value for money programme “

Angela Eagle, the Exchequer Secretary to the Treasury, today said:

“HM Treasury has an excellent record helping to foster the conditions that have delivered an unprecedented period of stability, low inflation and sustained growth. The Treasury will continue to maintain macro economic stability, mitigate fiscal risks while promoting economic growth, and help equip the UK to meet the global challenges of the next decade.”

---

### **NOTES FOR EDITORS**

1. The Chancellor's Departments include HMRC, HM Treasury, National Savings & Investments, the Government Actuary's Department and the Royal Mint.
2. HMRC was formed in 2005 from Inland Revenue and HM Customs and Excise in response to the O'Donnell Review of tax administration and policy. It is responsible for collecting the revenue needed to fund improvements in essential public services – delivering nearly £425 billion in 2006/07, up by around 6% on 2005/06. HMRC has implemented major reforms to the tax system, promoting fairness and opportunity for all. It has also introduced Child and Working Tax Credits to provide support to 20 million people, including 6 million families and 10 million children, helping lift 600,000 children out of relative poverty since 1996-97 and increasing the number of people in work by around 2.6 million.
3. HMRC has achieved £385m efficiency savings to date, and is on track to meet its efficiency target of £507m set at Spending Review 2004 (SR04).
4. The Chancellor's Departments' budget now rounds to reductions of 4.9% per year, rather than the 5% per year in the settlement announced in Budget 2006, as HMRC has taken over responsibility and funding for [businesslink.gov.uk](http://businesslink.gov.uk). HMRC will be leading cross-government efforts to oversee the transformation of this website to enable it to become the prime online channel for government information and transactions for all businesses in the UK by 2011.

## Table

### Chancellor's Departments baseline and additions

	£ million			
	Baseline	Additions		
	2007-08	2008-09	2009-10	2010-11
Resource DEL	4,862	-106	-224	-338
<i>of which near-cash</i>	4,544	-99	-208	-315
<i>of which administration</i>	4,702	-107	-221	-332
Capital DEL	276	-7	-14	-21
<b>Total DEL<sup>1</sup></b>	<b>4,941</b>	<b>-109</b>	<b>-229</b>	<b>-344</b>
<i>of which:</i>				
HM Revenue and Customs	4,547	-99	-209	-315
HM Treasury	226	-6	-12	-17
National Savings and Investments	168	-4	-8	-12
Government Actuary's Department	0.4	0	0	0

*1 The Chancellor's Departments budget is now reducing at 4.9% in real terms per year, rather than 5% per year as when the settlement was announced in Budget 2006, due to HMRC taking over responsibility and funding for [businesslink.gov.uk](http://businesslink.gov.uk).*

For further details on Chancellor's Department's settlement and their Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* [www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: [www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

Media Enquiries to HM Treasury press office. 020 7270 5238