

Background to Commercial Directorate

HMRC has been preparing for the end of the ASPIRE contract for IT provision in 2017 with commercial staff playing a leading role. In doing so, it has reached a negotiated position with incumbent suppliers and activity has been undertaken to source suppliers for newly defined elements of the bought-out services. New contracts will allow the department to take better advantage of digital innovations and keep pace with digital and technology trends of the future.

Our Building Our Future Locations programme will support us gradually moving from PFI arrangements to more direct bought-out services across a much reduced Estate in terms of numbers of locations. In support of this, commercial will play a significant role in procuring the services to fit out, equip and maintain the new offices.

These changes are only a part of our significant transformation programme, which also covers our compliance activity, key frontline processes and corporate services. Over the SR15 period, HMRC will invest c£1.3bn in transformation activity and reduce operating costs by a cumulative c£1.9bn.

Outside the IT and Property & FM categories, HMRC has a wide variety of third party commercial arrangements, which in some cases will also need to be transformed, that are key to delivering essential services and require significant input, support and innovation from the commercial team.

Government Banking is a shared service to the public sector. It is responsible for holding the working balances of Government departments and other public bodies at the Bank of England to help HM Treasury in reducing Government borrowing costs. In addition, it helps customers with bank accounts as well as payment and merchant acquiring services.

Debt management activity includes receiving payments and accounting for tax liabilities and processing customs and excise tax declarations. In addition, it covers helping those who are experiencing difficulties in paying as well as those refusing to comply. Data analytics forms a key part of being able to assess risk in debt management.

Overall, HMRC is a very large and complex organisation and the goods and services it requires from third parties is of equal magnitude and complexity. Just a small portion of the



Government Commercial Function

types of areas commercial gets involved in have been highlighted. The variety, the depth and breadth is enough to feed thirsty minds keen apply their experience and skills.

To address these and other commercial challenges, we are in the process of implementing a new Commercial Directorate Operating Model and the high level structure is:

