

# Minutes

Date of Meeting	10 September 2012	
Group Name	Tolworth	
Chair: HMRC Lead	Paul Roberts (PR)	
Agent Lead	Susan Gompels (SG) OBE	ICAEW

## Agent Representatives attending:

Karen Bowles (KB)	ACCA
Georgina Forbes (GF)	CIOT
Mike Down (MD)	CIOT
Elizabeth Parks (EP)	ICAEW
James McBrearty (JM)	ATT
Bright Amedodah (BA)	AAT

HMRC attendees:	Sara Harris (SH)	LC Large and Complex
	Ryan Fenton (RF)	LC Large and Complex
	Kate Pankhurst (KP)	LC Large and Complex
	Mohini Sawhney	WT co-ordinator
	David Wood (DW)	New HMRC Lead

Guests:	Lin Homer (LH)	HMRC CEO
	Chris Kelly (CK)	HMRC Business Tax
	Maggie Anderson (MA)	HMRC RTI

Apologies	Maxine Higgins (MH)	ICAEW
	Jacqui Hall (JH)	DMB

## 1 Introductions:

PR welcomed everyone to the meeting, especially LH. LH then introduced herself to the group, giving a brief outline of her background; from training as a solicitor then working for local Government, on to

central Government, to the UK Border Agency through to Permanent Secretary for Transport and now as CEO of HMRC.

She has now been in post for 6 months and wants to keep momentum. A lot of her top team have been replaced and there is a good mix of HMRC people as well as external appointees. In her view, HMRC needs to offer clarity, certainty and credibility, and be open and collaborative. Ed Troup has been appointed as the Tax Assurance Commissioner, and LH hopes for fairness and transparency by having an open annual report whilst retaining taxpayer confidentiality.

## **2 Apologies and approval of previous minutes:**

Apologies received from all identified as above. The minutes of the previous meeting were agreed and approved. SG said that Anthony Thomas (CIOT guest speaker) had also approved the minutes.

PR gave the aims and a brief outline of the structure of the meeting. He also said that this was his last meeting as he was due to retire in October, and welcomed DW as his replacement.

## **3 Background to the Tolworth WT Group:**

SG was delighted to welcome LH to the meeting. She explained that all the agents in the group were volunteers, and the debate was usually stimulating and impassioned. All was conducted in a 'safe environment' – i.e. frank and open, and not for publication. She welcomed JM as a "new" agent.

SG then highlighted the background to WT – at national level there was always a conversation, but the smaller local end had forged its own links informally, and with the introduction of SA, WT was timely to encourage re-forming people contact between agents and HMRC in the new environment.

WT is a sounding-board, and acts as an early warning system when things go wrong. A lot of communication is now via computer, but there is still a need for "people" contact when dealing with real issues; for the 10 – 15% of time that things go wrong.

In the early development of WT locally, this Group developed the concept of shared training workshops and trial pilots on several topics (including Enquiries, Penalties, Business Record Checks). Each involved jointly peopled scenarios where issues were unearthed within a safe environment. This worked very well and obliterated misconceptions. The result was trust and mutual respect. Each pilot then went national.

CK described how he was involved with the implementation of SA online and partnered with WT at the Tolworth Group to develop another "online filing" pilot using the "shared workshop" concept. The pilot event in Cobham worked very well and 225 events fed from that, reaching 11,500 practitioners. Now over 90% of SA taxpayers file online and the majority do so through practitioners. CK said that that style of collaborative working should be the norm, and the WT ethos should be carried forward. It is not just about the issues of the day but also the bigger picture.

## **4. Single Compliance Process Workshop:**

This will take place on 9<sup>th</sup> November from 2 – 5pm at the Taxation offices in Sutton. PR will come back from retirement to attend. SG stated that flyers were to be given out, and checked that everybody had received one. Onward arrangements included each representative body seeking 7-8 participants to make up the Agent number (approx. 35). DW would manage the attendance from HMRC (approx. 15)

Overall attendance lists to be coordinated through SG in first instance.

## **5. Communication:**

SH introduced this topic for discussion. She referred to the discussion at the WT meeting on 15 June about some of the new ways in which HMRC were using electronic communications. Traditional methods such as post and telephone calls were to be discussed today. SH referred to reports produced by the National Audit Office, the Committee of Public Accounts and the Treasury Select Committee which had criticised HMRC's call and post handling. In response to this, a joint initiative on HMRC service delivery had been set up – a steering group with the aim of improving matters. A bereavement

line had been introduced and a post reply tracker. There was also an ongoing pilot to look at scanning compliance post.

SG said that the problem with telephone calls not being answered was having a major impact.

LH said that this was being looked at and a major effort was being made to update performance. Almost double the number of calls were being handled but HMRC could do more. There is a need to improve contact centres, and there is extra resource for this year and next. The aim was that 90% should be answered by next year. There was a terrible day on tax credit deadline day, and the calls answered dropped below the ideal, but LH is hopeful that this will improve.

SG commented that LH had made very welcome public statement that HMRC were to recruit additional 1000 staff for telephony and then asked if / how WT could help to 'manage expectations' since such public notice might unreasonably raise expectations of "quick fix" when there needs to be proper recruitment and training.

LH stated that this would not be a quick fix but a serious commitment, and it was not just agents that were annoyed but it was very wearing for staff not being able to do a good job.

EP stated that she was happy a steering group had been set up and she hopes that this will take things forward but we had been here before, and 10 years down the line nothing had happened. She was pleased with the tracker system as this allowed her to communicate to the client that something was happening.

KB noted that CT offices wouldn't be taking calls any more and that this would be a problem.

LH stated that out of the 60 million calls taken each year, a lot are "reassurance" calls and are not really an issue, and there is work being done on how to overcome this. This was the reason that recorded messages were played while callers waited to speak to an operator. Voice response is also being trialed.

## **6. HMRC and fairness:**

RF introduced the topic of fairness. He discussed the role of fairness in HMRC's Vision and Customer Charter, which both include commitments to being even-handed. RF also considered the difficulties faced by a large organisation with a diverse customer base and the decisions that HMRC has to make in its pursuit of even-handedness. RF further gave examples of HMRC's efforts to improve consistency, such as the structure of the new system for penalties for inaccuracies. This generated much discussion.

MD stated that there was a huge difference between large corporations and smaller individuals, and more should be done to take this into account. He added that the new penalties system had not worked to improve fairness, although there were some good aspects, such as the suspension option. KB stated that it was unfair that a penalty due to a "one-off" event couldn't be suspended. EP commented that the intended structure of the penalty system was good but unclear and uneven in application and she didn't think it was fair that voluntary disclosures should be penalised.

LH said that her long term view was that policy should be made clearer, to reduce grey areas. This should help overcome many of these problems.

## **7. Real Time Information:**

MA gave a presentation on RTI, and there was a discussion about how it would work in practise. GB and KB raised some concerns about practical implementation for smaller employers, and how penalties would apply. LH asked MA if she could have a closer look at these issues.

SG said that penalties didn't sit easily with the introduction of RTI, and that people should be encouraged to get it right rather than being accused of getting it wrong.

## **8. Current Issues:**

None

## **9. Way Forward:**

EP gave an overview of WT and stressed the important role WT plays as a partnership between tax professionals and HMRC.

PR thanked everyone for their attendance. LH was very pleased that she had been invited, and was impressed by the passion of the people involved in WT, and the WT ethos. She said that she would try and come back to the next meeting, and thanked everyone for making her welcome.

SG thanked PR for all his hard work and dedication.

**Meeting ended: 16:10**