

Attendees

HMRC

Suzie Williams
Jack Nixon
Mick Ney
Dave Brookes
Greg Coulter
Gareth Carr
David Griffiths
Teri Sproul
Phil Gore
David Malcolm
Amanda Williams

External

Victoria Todd, LITRG
Robbie Ferguson, Advice NI
Mark Willis, CPAG Scotland
Maureen Arthur, Peabody
Nic Vaughan, DWP

Apologies

Chris Howarth, HMRC
Pamela Parkin, HMRC
Linda Carney, HMRC
Carol Moonlight, Citizens Advice Bureau
Sophie Howes, Child Poverty Action Group
Anna Rattlidge, Gingerbread
Gail McCullough & Una McConnell, Communities NI
Sue Cummings, HMRC
Kevin Higgins & Amy McParland, Advice NI
Edd Hair HMRC
Carol Welch HMRC
Anthony Hignett
Michelle De- Cort

Agenda Item

1 Welcome - Marina Bradshaw

Marina welcomed everyone to the meeting and apologised for the late start due to the technical difficulties experienced.

Marina explained that Sue Cummings cannot attend today due to unforeseen circumstances so we will cover the Guidance Strategy Forum and the questions raised on this in a separate meeting. **AP1 JN/MB to arrange a separate meeting with interested parties.**

Childcare and tuition - had a response back and will send a response by end of the week. **AP2 MB to send response.**

Couldn't get subject matter experts on the call today regarding notional entitlement due to annual leave. Will arrange a later call. **AP3 JN to arrange a call with PP/TW.**

2 Move to Universal Credits Update - Dave Brookes

Now moving out of post pandemic pause, picking the speed up on things again.

Back end of May received revised stats from UC for tax credits case load.

300k more migrations than previously forecast

New plans (small amount of risk due to potential for second peak at the end of the schemes) for 1.7mil TC remaining case load.

Phase 1: Underway at the moment. Voluntary phase, advertising campaign on social media towards Autumn to raise awareness of universal credit.

Phase 2: Move to universal credit pilot which started January 2020 is going to restart in January 2022 next year.

Phase 3: Scaling, starting to migrate cases at volume after learning from pilot phase.

Phase 4: 2024, continuation of phase 3 but also completion of the migration process.

Migration activity now gone back to pre-pandemic stability as anticipated, migration going to plan.

VT – Majority of people are moving to universal credit; do you know how many will be moving to pensions credit and are there any plans as to what that process looks like?

DB said 30k-50k, we have plans for when we need to work on that, IT is underway, but process is not yet finalised, will be towards back end of programme.

3 Tax Credit and Child Benefit Performance Headlines – Gareth Carr

Headlines:

Tax Credit Performance:

- HMRC are continuing to serve more customers through the web chat service than ever before – we are also reviewing our deployment for the 31 July (Peak Day) as is a Saturday and phone lines won't be open.
- continuing as per previous month, most change of circumstances are being processed within 5 days.
- continue to report relatively low volumes of repair work
- approx. 1100 disputed overpayments on hand
- 600 mandatory reconsiderations
- maintained previous months service with less than 200 complaints currently on hand. HMRC are in strong position in term of the current activity and are working at a good speed in this key area to handle customer dissatisfaction.

Child Benefit Service and Performance:

- as per previous month's update, in preparation of replacing the Child Benefit service HMRC increased the number of advisors (HMRC has successfully trained 2400 colleagues) and training in this continues to be monitored.

Call data:

Calls: 80% answered Overall. Previous Month (56%)

- Tax Credits 77% (Previous Month 34%)
 - Performance has improved with increase in resource from Compliance colleagues
 - Demand has been tracking down against forecast by 25%.
- Child Benefit 89% (Previous month 87%)
 - Performance is remarkably consistent hour by hour throughout the month. We have continued to further deploy to post on Child Benefit with no impacts on call handling.
- Tax Free Childcare 83% (Previous Month 85%)
 - Change to start times have slightly impacted the volume handled

Busy Messages:

- Tax Credits: 12k (174k previous month)

- Child Benefit: 300 (700 previous month)
- Tax Free Childcare: 702 (481 previous month)

Post-Performance Update:

iforms = 94% against 95% target (94% previous month)

- no issues within Child Benefit
- tax credit's iforms down against target due to postal backlogs built up from previous month.

Priority1-Priority2 = 42.0% against 80% target. (47% previous month)

- Post clearances have improved across all channels but obviously having to work through older stock before getting to recent intakes.
- CSO has seen an increase in ambers against plan – options for resourcing opportunities being reviewed by planning.

Clearances:

- Cleared 202k post and WMI items compared with 184k previous month.

Auto messages will be put onto phone lines to help stop any non-urgent phone calls.

Auto message to be inserted at beginning of automated phone: asking callers to call back after the first if their call is not about Tax Credit Renewal.

Webchat:

- 43k chats offered across all channels with 39k handled (Up 4k from previous month)

Compliance Update:

All plans have been reset following resource being moved to telephony. Progress update against plan to be shared next month.

Rostering:

Pay and contract reform, some working practices has changed, we now have rostering including evening and weekend working, in place from 1 June. Re-rostering has reduced call queues. Since rostering has been implemented:

- The time taken to clear the call queues following the closure of the lines has reduced by around an hour (from between 7pm and 7.30pm on average to between 6pm and 6.30pm)
- The number of calls unanswered on the TC610 line has reduced from above 80% after 4pm to about 30% after 3pm
- The number of calls unanswered on the Tax Credit Helpline has reduced from above 60% after 4pm to about 25%. Between 3pm and 4pm it has dropped from around 40% to around 15%.

4 Tax Credit Renewals 2021 Progress update – David Griffiths

Everything is on track with no issues - issued 800k reply required renewals, received 418k back, as expected. These are split by channels, 58% online, 21% paper 21% phones.

2 tranches of SMS reminders sent, 550k messages during first tranche, 416k second tranche starting June, third tranche will be issued 14 July and final reminder on 29 July.

Messages are being tailored depending on customer history.

‘Do you know you can renew online’ SMS for those who didn’t renew digitally last year

Renew before 31 July 2021 message for those who were late last year.

VT raised an issue with the High-Risk Renewals Child Care letter, VT will send email with full details. Concerned and disappointed with the wording, quite threatening tone and doesn’t take into account of our vulnerable customers. VT has a customer who has had a poor and distressing experience receiving one of these letters. Also issues with the letter not following legislation.

MA asked what happens for clients who cannot renew their tax credits in time for 31 July deadline? MN - Responded we do ask ‘reply required’ customers to reply by 31 July, payments are stopped if no reply by 31 July, but customers can restart payments by replying within 30 days of the date on the letter notifying them their payments have stopped or up to 31 January if they can show continuous good cause for not having replied earlier.

MW – What is the rule about Child Care/Tuition being provided virtually/online? Can this be covered by the childcare element

MB has a response in draft to this question. MB will write to MW and VT on this response and if needed set up a separate meeting to discuss.

AP4 VT to send email to MB about the High-Risk Renewal Letter.

MB to write out to MW and VT on the Child Care element (see AP2)

5 Post Office card accounts – Teri Sproul

Currently being used by HMRC customers for Tax Credits, Child Benefits and Guardians Allowance. It was an account for customers without bank accounts to enable withdrawal of payments from the Post Office. Agreement with the Post Office ends from 30 November 2021 and HMRC will no longer make payments into these accounts.

Since October 2019 HMRC has written to customers asking them to change their bank details, they can contact HMRC via helpline, letter or digitally.

Up to 4 contacts have been made in some instances. 150k contacted, roughly 45k customers are receiving benefits via post office accounts.

Started another campaign in April this year, contacting customers again to get in touch and change details.

Targeted SMS messages in coming weeks for those who have not got in touch, further contacts being planned to explain the consequences of not changing these details.

Highest footfall post offices now have flyers in the store to notify.

Tax credit renewals message include POCA message.

Teri asked is there any way that external attendees on the forum can engage further with customers about POCA?

If they do not contact us with alternative payment method, we may have to stop sending payments, this is a last resort.

VT - said she would be very happy to use LITRG website to get that message out. And asked for more info.

MA – Said she would be happy to also share this info.

AP5 Teri to send info to Marina about POCA and consequences, who will share with attendees to publicise.

6 Update of COVID 19 easements – Mick Ney

WTC hours easement, further 8 weeks readjustment period after end of Job Retention Scheme. Job Retention Scheme is due to end at end of sept.

If there are not eligible hours on claim by end of 8-week period, working tax credit entitlement will be lost.

Other easement is for General Registry Office, to allow people to claim for child benefit even though their child has not been registered with GRO.

We are extending this until the end of September as some GRO's are struggling to get back up to speed, some have had technical issues.

Problem in calculation for In Year finalisation, what seems to happen, where there is a longish period between losing a job and making a claim for universal credit, entitlement period is not calculating correctly.

Customer had right to mandatory reconsideration or appeal incorrect calc anyway, but we are working with IT colleagues to get this corrected in the system. Anyone who is affected by this, will get their entitlement adjusted correctly.

VT – Has seen an example - when people receive an overpayment for in-rear finalisation, there should be an explanation accompanying this. It was the explanation within the letter that made no sense at all. The explanation looked as though it had been copied from a template and didn't fit the amount shown.

MN – asked for further information about where the letter came from? And then he can try to find the source of this and investigate Mick will liaise with Georgie Help around the way the letter is designed and will bring any proposed changes to letter to this forum before they are implemented.

AP6: VT to send details of the letter to MN to investigate and to liaise with GH.

Tax Credit debt transfer to DWP – Phil Gore (PG)

2019 to 2020 figures are most recent figures for now, won't have up to date figures until end of September.

2018 to 2019 We transferred £0.7 billion, £1.2 billion in 2019 2020, estimated £3.8 billion to be transferred over the next 4 years.

Working closely with DWP, in March 2020 it was decided to pause the transfer of debt during pandemic, restarted October 2020, and now caught up and working BAU.

MW – Asked if this mean that all historic debt has been transferred?

PG – Customers still have historic debt, any debt that was due to be sent but was paused in March has now been sent. Tax Credit customers with overpayments still remain with HMRC.

MW- Customers don't seem to know why they have debt, when or how this was created and first they hear of it is when it actually gets deducted from universal credit.

PG said VT's explanation of remitted verses written off is correct and remitted debt can be reopened and pursued and written off is not resurrected. Debt that has been written off should not have transferred to DWP. Remitted debt could have transferred.

PG clarified post meeting note: Any debt which has had a remission cancelled so that recovery action can recommence could then become eligible for transfer to DWP. It is fair to

say that any debt which remains remitted would not be transferred. HMRC would also not look to cancel a remission with a sole view of transferring a debt to DWP

VT – seeing the same issues. The term remitted is being used interchangeably in Guidance, people think the debt is written off, but it is remitted, guidance using the words remitted but is not clear what it actually means.

PG – we are working towards making the guidance clearer, if you have any examples of this please send them in.

MW – Would individual customers be notified that their debt has been remitted?

PG – Written off, they would have been notified. Remitted – PG will need to take this away to check.

AP7 Phil to check on this.

MA – Asked if HMRC have any control whatsoever about the rate of recovery per month from Personal Allowance by DWP?

VT – Letter are very confusing and say the debt may be collected in the future but not 100% conclusive.

PG – Gave an overview of how an overpayment can occur and explained HMRC then send an award notice and show the overpayment amount. Similar notification at end of a tax year, customers have the opportunity to MR or dispute.

When a customer claims UC, we will only transfer stable debts, this means where MR rights have passed, and we are not expecting any changes. Once the debt has gone to DWP, debt belongs to DWP in law so HMRC cannot affect the recovery amount per month. HMRC can write off a debt that has gone to DWP as a revised debt amount, this is if the customers award changes after the transfer.

If there is an event that leads to remission, HMRC will send a new debt amount to DWP.

MW – Problem in practice is that customers are told that once debt is gone to DWP, HMRC cannot do anything about it, DWP say they are only responsible for recovery, customers are getting passed between the two.

PG- We only send the debt once it is stable, so customers have had a 30-day window to MR this.

MW – Customers can request mandatory reconsideration up to 13 months,

We do not wait for 13 months; we wait for the standard 30-day period before looking into sending this debt.

VT – Agrees customers are getting passed about a lot but no consistent advice/guidance.

Feels like there could be better guidance on gov.uk for customers. Sometimes customers with debt cannot articulate clearly what exactly they are challenging, if a person doesn't use the correct words, staff should be trained to tease this out of the customers.

PG - If a customer contacts us to understand their debt, we should answer their query.

MW - how long does HMRC wait before debt is transferred?

PG - Final notification goes out then the debt is transferred a week later. Some customers may not read or understand it. We would welcome any cases where customers have had deductions before they received a notification.

VT – There should be recent contact when the debt is transferred, is that right?

PG - This is not an MR right or appeal right, this is simply a notification of transfer of debt where the MR period has passed, TCC1131 letter sent showing yearly breakdown of debt. This is built into the system so should not be transferred until 1 week after letter sent.

If customer changes their award after, they may receive a revised debt amount on another letter.

MW – Is there any limitation period, if there has been no action on a debt in 10-15 years, is this time frame relevant?

PG - This would be unusual that the customer did not receive any notification of that debt within such a long period of time. We would attempt to recover this debt from live awards, becomes an issue when an IY deduction that the customer did not realise is visually shown as a deduction on universal credit letter.

Those in direct recovery, they should receive a notification at least once every calendar year. Phil would welcome details of any cases so we can test the system and better support customers.

DB – Individual may have multiple OPs; recovery is lower on priority so may wait until we recover. Historical debts, we are looking at this on a separate project because if the system is not following the process as intended it must be looked at.

AP8 PG to liaise with Operations colleagues on staff knowledge on extracting relevant information from customers when they find it difficult to articulate their issue and understand differences between, Appeals/MR/DOP/Complaints etc.

AP9 VT to send examples and Phil to look into use of wording remitted & written off.

7 EU Settlement update – David Malcolm

Scheme implemented by Home Office to allow EU citizens living in UK before 01 Jan 21 to apply for domestic immigration status. EU citizens are now required to register with the Home Office.

EU citizens arriving under since 01 Jan 21 have been required to register with home office's border and immigration system. Now treated the same as non-EU Nationals.

EU citizens already living in the UK, were given a 6-month grace period up until 30 June 2021, anyone who did not apply have missed their window and are now residing in UK without a valid immigration status. Over 6 million people have applied by 30 June.

Deadline was simply to apply, anyone who applied by that date has their rights protected, even if home office has not made their decision yet.

People can make late applications if they have reasonable grounds for late application

Guidance is on the Home Office website. No timeline in place but will consider on a case by case basis.

MW – For existing tax credit customers who have not applied for this, will it flag up in their tax credit claim?

We are advising applicants to apply as matter of urgency to have their rights and claims protected, but not via tax credit claim.

MW – Will HMRC know when someone has failed to apply for settlement scheme?

We are working with the home office on that to understand why someone hasn't applied. In May letters were sent to EU Customers and we continue to try and reach people as are the Home Office.

8 **Guidance strategy form update – Sue Cummings** - to be covered in a separate meeting

9 **AOB – Marina Bradshaw**

Marina said we were asked a question about publishing the minutes from this meeting on GOV.UK and yes we will be publishing from this meeting onwards, but as always there will be topics where we cannot publish on the gov.uk site.

VT – Can you share the outcome of guidance discussion with Mark about the guidance hub question raised re Lack of consolidated tax credits legislation – the TCTM 12000 versions are now quite out of date. **MB will be doing this. AP10**

VT- £500 payment, had some customers who received letter but no payment. Mick Ney confirmed we are working on these kinds of cases, payments won't go out until September but currently being looked at.

Meeting closed at 15.10pm

Action points

1. Arrange a separate meeting with interested parties.
2. Childcare and tuition - had a response back and will send a response by end of the week.
3. Arrange a call with OE/CS&TD Policy Benefits and Credits.
4. Victoria to send email to Marina about the High-Risk Renewal Letter.
5. Send info about POCA and consequences, will share with attendees to publicise
6. Send details of the letter to investigate and to liaise with HMRC Comms.
7. Question – Would individual customers be notified that their debt has been remitted?
Response – Written off, they would have been notified. Remitted – will need to take this away to check.
8. Liaise with Operations colleagues on staff knowledge on extracting relevant information from customers when they find it difficult to articulate their issue and understand differences between, Appeals/MR/DOP/Complaints etc.
9. Send examples for HMRC to look into use of wording remitted & written off.
10. Can you share the outcome of guidance discussion about the guidance hub question raised re lack of consolidated tax credits legislation – the TCTM 12000 versions are now quite out of date.