Minutes

MID-TIER AGENTS FORUM

Friday 13 December (10:00-12:00)
Room G/14, 1 Horse Guards Road, London SW1A 2HQ

Chair:	**Theresa Middleton**	**HMRC (Director, Business Customer & Strategy)**
Secretariat:	**Ian Quelch**	**HMRC (Business Customer & Strategy)**
	Monica Saunders	**HMRC (Business Customer & Strategy)**
Attendees:	**David Barton**	**Baker Tilly**
	Jacquelyn Kimber	**Moore Stephens**
	Jonathan C Riley	**Grant Thornton**
	Mark McGarry	**Saffery Champness**
	Richard M Jones	**BDO**
	Stephen Nixon	**Crowe Clark Whitehill**
	Tim Lyford	**Smith & Williamson**
	Mike Crabtree	**HMRC (Specialist PT)**
	Hugh Hedges	**HMRC (Cen Pol)**
	Mike Pettit	**HMRC (Large Business Service)**
Speakers:	**Sam Mitha**	**HMRC (Central Policy)**
	Richard Rogers	**HMRC (CTIS)**
	David Edney	**HMRC (CTIS)**
	Corinne Wilkins	**HMRC (KAI)**
	Stephen Brodie-Rendon	**HMRC (Business Customer & Strategy)**
	Denise Walsh	**HMRC (Business Customer & Strategy)**
Apologies:		
	Andrew Hubbard	**Baker Tilly**
	Lisa Macpherson	**BDO**
	Tim Davies	**Mazars**
	Chris Davidson	**HMRC (CTIS)**
	Ian Stewart	**HMRC (Indirect Tax)**
	Alan Tume	**HMRC (Large Business Service)**
	Kevin Fletcher	**HMRC (Local Compliance)**

1. Welcome and introductions

The Chair welcomed attendees to the meeting and introductions were made.

2. Minutes of last meeting & matters arising

There were no amendments to the minutes of the last meeting and the minutes were adopted.

Action points and issues arising from previous meeting:
- point 1 had been resolved;
- point 2 deferred to next meeting;
- point 3 on the agenda as item 7;
- point 4 on the agenda under AOB; and
- point 5 had been resolved.

3. Autumn Statement

Sam Mitha (SM) outlined the wider context to Autumn Statement 2013 and the main measures announced by the Chancellor. Key features centred on measures to promote economic growth, in order to sustain the recovery; fairness; anti-avoidance and evasion provisions; and other measures.

The anti-avoidance and evasion provisions were expected to raise some £6.8 billion, the biggest avoidance and evasion package this Parliament. HMRC had also created a new Counter-Avoidance directorate to deal with marketed avoidance schemes and to bring together the work across the Department to tackle avoidance risks into one place.

The other changes included an announcement that the Government intended to launch a technical consultation about routeing funding for apprentices directly to employers through HMRC. The consultation was due to start in early 2014. HMRC would work with BIS to consult and both departments were keen to hear from stakeholders, including agent representatives.

SM referred briefly to the work underway following last year's consultation on sharing HMRC data for public benefit.

SM said that the Government had committed in 2010 to confirm the majority of Finance Bill measures at least 3 months prior to introduction and publication of draft legislation where possible. He was pleased to report that most of the draft legislation to be included in Finance Bill 2014 was published for technical consultation at L-Day (the closing date for responses was 4th February 2014).

The material published included responses to 15 consultations, about 30 new tax policy consultations and 300 pages of daft legislation.

Agent representatives asked whether the aggregated data would be available for sale to private businesses. The Chair confirmed that there is pressure to share data and whilst the value is unknown it could create business opportunity.

Action Point 1 - SM to find out if aggregated data would be made available for sale to businesses.

4. Partnership taxation

Richard Rogers (RR) provided an update on the review of taxation of partnerships. Comments and concerns from stakeholders have been considered and proposals revised.

The implementation schedule, time to re-structure their business models and flexibilities were discussed. Agent representatives commented that the time to react is tight but further feedback might be provided later.

5. HMRC's 2012 Large Business Customer Survey findings

Corinne Wilkins (CW) introduced two surveys, Large Business Panel Survey (LBPS) and Tax Opinions Panel Survey (TOPS) designed to help HMRC understand the attitude and behaviour of large business customers. These consist of the surveying three groups of customer in the large business population – Large Business Service businesses; Large & Compliance Customer Relationship Manager businesses and Large & Complex Customer Coordinator businesses.

TOPS focuses on behaviours such as: 'use of agents', 'influencers on Tax Strategy', 'use of the Big Four accountancy firms', 'tax advice sought', impact of using agents, and 'attitude to tax planning'. The group discussed the latest findings which the Agent representatives said were in line with their expectations.

CW reported that the next TOPS results are expected to be published in January 2014 and that the next LBPS results are expected in early summer 2014. In the future these annual surveys will be merged to minimise the burden on businesses.

6. Update on Agent Online Self Serve

Denise Walsh (DW) updated the forum on the development of Agent Online Self Serve (AOSS) and the aim is to get the Agents onto the service in 2015 with live testing in 2014 to identify and resolve users' issues. Agents will need to have IDA credentials to enable them to use the online service.

The next stage is to engage with volunteer businesses, agents and individuals to gather information to define the system requirements. DW will be contacting the Agent representatives for volunteers to understand how they interact and manage their relationship with other Government departments (OGDs). The group discussed whether OGDs will also require users of their systems to have IDA credentials.

Action Point 2 – DW to liaise with interested parties to arrange discussions with Michael Cornford regarding IDA.

Action Point 3 – DW to report back on the OGDs IDA issue (in separate briefing).

Mike Pettit asked whether HMRC colleagues will be able to use a shared workspace with the AOSS and IDA framework.

The Chair updated the meeting on the changes in her directorate. Kerrie Spendiff's paper on the Agent review will be published in January and Ian Quelch (IQ) will lead the work with agents.

7. Mid-size Businesses

Stephen Brodie-Rendon (SBR) provided a summary of the customer insight research which was undertaken in 2012-3 around mid-size businesses to improve HMRC's understanding of the business population. The research evolved from internal assurance of the Large and Small and Enterprises strategies which highlighted operational and organisational cliff edge boundaries created by HMRC's current strategic approach.

Broad parameters were set for the research which were businesses with a turnover between £10m and £200m and/or more than 20 employees. It covered approximately 38,000 businesses which included corporates, partnerships and sole traders. The main proposition was to test the importance of risk and complexity alongside size to see if a different approach was required which would improve customer experience, maximise revenues and increase efficiency of resource.

Data from HMRC on the business size and growth was overlaid with data from surveys to segment the population into 5 tiers. Specific characteristics were identified for mid-size businesses in each of the tiers. Furthermore, analysis was undertaken to identify the number and type of strategic life events that these mid-size businesses experience over a 3 year period.

Building upon the research findings (which are due to be published at the end of February 2014) HMRC is considering how it operationalise this going forward. The approach will take into key strategic principles around how it manage and improve compliance, risk and customer service within the business population.

IQ stated that a new Large business directorate has been created and that this will be responsible for the businesses currently served by the Large Business Service and the businesses within the current Large & Complex that are allocated Customer Relationship Manager. The directorate will be headed by Melissa Tatton.

8. Procurement Policy Review

David Edney (DE) explained the background to the policy aimed at promoting tax compliance. The policy applies to all central government contracts over £5 million with effect from 1 April 2013. Ministers are keen to know how the policy is been going. He asked the Agent representatives for any feedback on the clarity of the guidance and any comments on the operation of the policy either from their firms or from their clients.

The Chair asked for the Agent representatives to feedback direct to DE.

9. Any Other Business

- Revised Terms of Reference - The group discussed the revised document. This will be circulated as the final version to the members, along with the draft minutes.

- Forward planner - The Chair invited the Agent representatives to let Monica Saunders know of possible agenda items for future meetings.

- 2014 meeting dates – the proposed dates are: 28 March; 10 June; 9 September and 9 December.