# ADMINISTRATIVE BURDENS ADVISORY BOARD

## Minutes of Advisory Board Meeting

**Date/Time:** 5th February 2019, 13.00-16.00

**Location:** 2/65, 100 Parliament Street, London, SW1A 2BQ

**Advisory Board attendees:** Teresa Graham, Graham Rogers, Roger Southam, Paul Morton, Karen Thomson, Rebecca Benneyworth, Malcolm Bacchus, Grainne Warner, Bill Dodwell.

**HMRC & HMT attendees:** Ruth Stanier, Elaine Benn, Clare Sheehan/Rebecca Hutton, Lucy Pink, Zoe Nettelfield, Heather Elliot, Guy Robinson, Mike Reed, John Szymanski, Jack Warrior, Colin Shingler, Madeline McGrillen, Asif Bukhsh (Secretariat), Chloe Evenson.

**Guest Presenter:** Eileen Rafferty (OTS).

## 1. Welcome and Apologies

- Teresa Graham (TG) welcomed Bill Dodwell, newly appointed OTS Director and Chloe Evenson, HMT representative;
- Confirmed Paul Morton will continue as a Board Member;
- Noted apologies from John Whiting, Violetta Parylo, Paul Aplin;
- Acknowledged Elaine Benn was attending her final ABAB meeting due to retirement in March.

## 2. Review of action/issues log

- Action Point 23 from Nov 18 – Payrolling Benefits in Kind is Agenda item 2.
- Action Point 24 from Nov 18 –Strategic Overview of iForms is Agenda item 3.
- All other action points closed.

## 3. Payrolling Benefits in Kind (PBiK)

Jack Warrior (JW) Income Tax Policy Lead, acknowledged ABAB's two main concerns outlined at the November Board meeting and confirmed resource has been allocated to this work and a project team established to develop solutions.

**Issue 1 -** The need to submit P11Ds is expected to reduce as employers choose to tax Benefits in Kind through their Payroll in real time.

**Issue 2 -** Authorised agents (including Payroll Bureaux) need to be able to register their clients on the payrolling registration service.

JW agreed that in some situations, employers who are payrolling BiKs, still need to submit a P11D and all employers still need to submit a P11D(b). In the coming months the project team will:

- Explore options for voluntarily payrolling Class 1A NICs in real time. This will remove the need for the end of year P11D (b).

- Develop legislative options and implementation plans to allow beneficial loans and employer provided living accommodation to be payrolled. This would allow that last two remaining BIKs to be payrolled.

- Develop a process to allow employers to commence payrolling in-year. This removes the need for a P11D for new employees.

- Engage with, and provide support, to employers who continue to use informal payrolling arrangements to allow them to transition into the voluntary payrolling framework. This removes the need for them to complete a P11D.

- To support SME and other employers who use agents, HMRC will look to revive the PBIK agent's enhancement element of the Agent Service project, to add in the functionality to allow agents to register and use the service on an employer's behalf. This will be included as part of any wider package of reforms.

- Ensure enhanced guidance package will explain the benefits of payrolling with step by step guidance on how to go about payrolling. This will clearly set out the limitations of the current service to manage expectations

Current process is not conducive to encouraging more employers to payroll. SMEs, who use agent services rather than in-house payroll departments, are disadvantaged.

Allowing authorised agents to register on the PBIK service would require additional functionality. This was originally included as part of an Agent Service project but was postponed due to funding constraints.

There are still challenges in the cost and capacity landscape, but HMRC recognise this is an area of importance and will continue to work with a range of stakeholders to work-up and consider requirements.


3.1 ABAB Board made the following comments:
- PAYE/RTI causes year end demand where employees want their position set out and the current system does not support this;
- Process needs to be smoother and Agents requirements need to be built in at the design stage;
- Employees expect the Personal Tax Return to links up other filing requirements;
- Agents submitting during February - March are required to use data that is 2 years old.

TG welcomed HMRC's approach, and was encouraged to hear a future proofing approach was being taken. TG also welcomed Elaine Benn's (EB) offer to make use of Canary Wharf's Customer Laboratory facilities and confirmed ABAB's support for this work, asking JW to return and update the Board in February 2020.

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**AP1: Forward Look- Add Payrolling Benefit in Kind to February 2020 Meeting**

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### 4. Strategic Overview of HMRC iForms

4.1 Guy Robinson (GR) welcomed ABAB'S invitation to provide a strategic overview of HMRC iForms.

- A programme of work is underway to ensure all 768 HMRC forms (currently 50% are print and post) meet accessibility standards by September 2020*;
- This includes reviewing each form to improve Agents and SMEs' user experience and reducing information requested thereby reducing the administrative burden;
- Forms will be reviewed by HMRC User Experience design team to ensure the pitch/tone/language and user journey all meet user expectations;
- Longer forms will be broken down into smaller, task based, manageable forms.

4.2 ABAB Board asked the following questions:

**Q1**. When signing in using Government Gateway, could there not be the facility to complete multiple forms at once?

**A1**. Agents can complete forms for their client where they have authority to do so. Due to security and data privacy rules having one identity to access all accounts could not be supported.

**Q2**. Is there an opportunity to have a general request form in order to save time and, when required, issue forms at customer request quicker saving time for both HMRC and the customer?

**A2.** This suggestion will be considered in terms of the number of requests received via post and ABAB will be advised if adopted.

**Q3**. Would using default values in forms and being able to see upfront at the start of a form which information or documents would be needed reduce additional burden?

**A3.** Using intelligent forms which direct the User journey based on their choices can make it difficult to predict all the information needed but better guidance will support the process.

TG offered ABAB's support in meeting the challenging deadline of September 2020 and confirmed ABAB would welcome the opportunity to assist in any user testing.

> **AP2- GR to advise if the suggestion to develop a general request form is adopted**
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> **AP3- GR will provide details on how ABAB Board can participate in iForm User Testing**

\* [The Public Sector Bodies (Websites and Mobile Applications) (No.2) Accessibility Regulations 2018](#)


## 5. GOV.UK

5.1 Mike Reed (RD) gave an overview of the relationship between GDS and HMRC GOV.UK teams. He explained a culture change to focus on what people want from GOV.UK.

- He explained the principle behind the review of pages:
  - i)     those which have a role in explaining things aimed more at high level users;
  - ii)    those which have a role in instructing how to do something.

  The aim being to direct users to pages or guidance that is relevant to what they want.

- GDS & HMRC work with content designers to meet user needs. GDS manage entry level information whereas HMRC provide the more detailed guidance.
- John Szymanski (JS) explained to improve 'searchability' they are using keywords that are more aligned with how users actually search for information, and some other tools have been used to rank move relevant results.
- They have developed a Step by Step navigation approach which includes a breadcrumb trail at the top of a page allowing you to move in/out of relevant sections of an area of interest.


5.2 Bill Dodwell (BD) referenced OTS's publication on guidance and the three tier approach they recommended. He advised one of the recommendations was having a strategic lead for this work that would enable more effective progress.

He commented that even though public search engines may appear to index pages better they often took you to the middle of content which doesn't give structure for what you may want to find.

An example where GOV.UK search doesn't provide a link into relevant guidance is 'Taking on an employee'

5.3 Work is ongoing with policy colleagues on content management to ensure only relevant information remains/or is published on GOV.UK. They are working with other Government agencies when developing step by step guides in order to deliver coherent content. This approach will revolve around providing a better user experience. GDS are also researching new tools to support navigation.

ABAB supports this work and TG suggested a future Tell ABAB survey could look to review progress made in this area.

**6. OTS**

6.1 Bill Dodwell (BD) summarised his involvement with OTS as a policy advisor prior to his appointment as OTS Tax Director. He will continue work on:

- A second report on Inheritance Tax due in the summer
- Business Lifecycle
- Reviewing Life events and considering tax and benefits

He highlighted the Technology Report which has been published.

6.2 Eileen Rafferty (ER) updated on the Business Lifecycle work, which has focussed on small business experience and the issues they struggle with. Having taken views from across the UK, similar issues are experienced during key stages before businesses formally engage with the tax system.

- GIG economy, she will share views regarding a voluntary PAYE type system;
- Corporation tax (CT) and where simplification may be applied is also under consideration.

TG noted that CT had been reviewed previously and the same issues may still exist. She asked ER to share the briefing paper.

> **AP4 - ER to share her findings**

**7. EU Exit**

Lucy Pink (LP) introduced Heather Elliot (HE) from the Customer Impact & External Engagement team.

7.1 LP summarised the current position. She highlighted work continues on:

    i)       Planning for business readiness and a 'no deal' scenario;

    ii)      External communication programme including update to the Partnership Pack, call to action letters, updates to guidance and supporting educational material;

    iii)     Noted an increase in Economic Operators Registration and Identification numbers (EORI's) for businesses that import goods from or export goods to countries outside the EU. They continue to monitor uptake.

7.2 ABAB members advised that many small business won't act until they receive communications to do so. Some members highlighted they are signed up to the email communications and found these useful. They suggested EORI's should be automatically issued via this channel. LP will consider this suggestion, but highlighted EORI's are designed for those businesses who trade outside of the EU.

**8. MTD**

8.1 Clare Sheehan (CS) summarised the current programme of work, including that the pilot is now reaching over 10,000 users across all groups.

8.2 Lee Smith (LS) provided an update on MTDs recent survey which highlights awareness has continued to increase.

CS referred ABAB to the House of Lords response on Making Tax Digital for VAT: Treating Small Businesses Fairly (House of Lords Paper 229[**]).

** https://www.parliament.uk/documents/lords-committees/economic-affairs/Govt%20%20MTD%20report%20Response%2022%20Jan%202019%20.pdf

**9. Tell ABAB**

9.1 Malcolm (MB) summarised the latest version of the report which will be published on GOV.UK shortly.

Board members suggested next year's Tell ABAB survey should include a tick box where respondents could opt in to receive an updates when the report is published.

## 10. Communications working group update

10.1 Grainne Warner (GW) Chair of the Communications Working Group reported that their communications plan and Roadmap setting out a strategic approach to raise ABAB's profile across HMRC has been developed. She commended the work of the HMRC Secretariat in producing both documents.

TG suggested that the communications plan and roadmap were shared with the Board to forward their comments.

> **AP5: Share communications plan and roadmap with ABAB Board**

## 11. AOB

TG offered the Board's and her personal thanks to EB for supporting ABAB and wished her a very long and happy retirement.

### Next meeting

The next meeting will be held on the 2nd May 2019, from 13.00 – 17.00 in Canary Wharf Customer Lab, 10 South Colonnade, Canary Wharf, London.