



ADMINISTRATIVE BURDENS ADVISORY BOARD

Minutes of Advisory Board Meeting

3rd February 2020, 13.00 – 16.30

Location: Room 3.46, 100 Parliament Street, London

Advisory Board attendees: Dame Teresa Graham, DBE (Chair), Roger Southam, John Whiting, Karen Thomson, Bill Dodwell, Paul Aplin, Violetta Parylo, Graham Rogers, Grainne Warner, Rebecca Benneyworth, Malcolm Bacchus

HMRC & HMT attendees: Ruth Stanier, Jo Rowland, Lucy Pink, Jan Owens, Chloe Evenson, Justin Giles, Phil Staton, Toni Clark, Dawn Hewson, Lee Farrington, Anna Thomas, Richard Fowler, Jack Warrior, Elinor Paterson, Khateja Salajee, Colin Shingler, Madeline McGrillen (Secretariat), Barbara Matus, Wahida Begum

Guests: Laura Sukhnandan (HMRC Complaints Policy & Strategy Team)

Apologies: Paul Morton

1, Welcome, apologies and review action log

- Welcome Jo Rowland Director - (new Director for Making Tax Digital for Business Programme) and Lee Farrington (new Deputy Director for Business, Customer Readiness & External Stakeholder Team). Recently taken over from Theresa Middleton & Clare Sheehan, this is their first ABAB Board Meeting.
- Apologies: Paul Morton – Board advised of his temporary absence until the autumn.
- John Whiting Congratulated Dame Teresa Graham, DBE for being awarded Damehood on behalf of the ABAB Board.
- Action Log: Two open actions
 - AP22 – will be picked up in Annual report
 - AP23 – to confirm Bill send details of Vat number issue to Clare

2. Making Tax Digital for Small Businesses (MTDfB) Programme

Introductions from:

Jo Rowland – New Director for Making Tax Digital for Business Programme

Lee-Farrington – New Deputy Director for Making Tax Digital for Business, Customer Readiness & External Stakeholder Team

Jo thanked ABAB for extending an invitation for her to join this Board meeting and to share the work of the MTDfB.



Success of MTDFB includes over 1000 new signups per week. New survey released to listen to people with a keenness to ensure that programmes are successful and effective. No data currently available on decrease of errors and decrease of the tax gap.

ABAB's Comments: There was a frank discussion regarding the costings for businesses to adhere to the programme. The Board felt that the soft launch was healthy with a good uptake leading to a good result. However, the costing to accountancy firms is high and this cost is then transferred to individual businesses. Concern across the business community that the impact is not being taken into account when rolling out new digital items.

AP1: Teresa extended an invite to the next Board meeting for further updates.

3. Off-Payroll Reform, Working Rules

PS and JG presented on the updates from off-payroll reform, working rules. Highlights included:

- Thanked the ABAB Board for their input to the CEST Tool update which was recently published.
- Review to fulfil commitment from chancellor.
- Implementation of the reforms. and undertaking to further understand what

ABAB Board discussed the need for further education around the implementation of these new reforms to help businesses implement new processes who are concerned about the tight timeline for implementation. Board also discussed the potential cost to businesses upon implementation of new rules.

4. Customer Journey, Multiple Jobs

Customer Journey team were invited to attend the ABAB Board meeting after their recent presentation to the ABAB Customer Experience WG.

- TC and DW presented various concepts that would impact on the customer journey that they were unable to deliver at the November Board due to purdah.
- A new customer journey is being created for Generation Z and will be shared at a later date.

ABAB Board was very receptive to the majority of the concepts and gave input as to why two of the concepts were not feasible from the employer and customer's experience. They also raised conversation and gave the customer journey team insight into some of the difficulties that would be faced by employers and employees and items that need to be embedded into the delivery if they were to go ahead.



AP2: Add to Forward Look for May 2020 for further update.

ayrolling Benefits in Kind (PBIK)

JW thanked ABAB for their valuable input into the PBIK and outlined following:

Discussed the progress made to solutions to concerns raised in previous ABAB Board in February 2019. A further update will be provided in May 2020 after the Budget has been published.

ABAB comments:

- CEST Tool is an easy tool to use, HMRC should take real credit for that
- Board member has gone through the tool with clients and now keen to re-try with enhancements and new guidance
- Still some niche areas to consider e.g. Insurance on-site especially regarding nuclear/forestry industry and corporate insurance

Add to Forward Look for May 2020 for post Budget update.

6. EU Exit Programme

Elly thanked ABAB for their valuable input into the pre leaving the EU period and EU Transition period work through the ABAB EU Transition Working Group and outlined the following:

Letters were sent to all VAT registered businesses that no changes come into effect during the transition period.

There is funding available for customs intermediaries to ensure smooth systems are in place after Dec 2020 for customs matters.

The first step for any business at this time that does trade with the EU is to register for an EORI number and understand how current customer processes work and look for agents with capacity to take them on.

ABAB Comments:

- Appreciate that matters have not been agreed yet by the government and hope that information will be trickled to businesses rather than a large communications package near the deadline.
- Request for guidance on what to do now to be clearer.
- Better communication around MOSS for small traders.

AP4: Ongoing invite to EUTU teams for future Board meetings until transition period expires.

7. HMRC Customer Charter



KS thanked the ABAB CEWG for their valuable input into the Customer Charter and invite to a further session at the ABAB Board.

- RF and KS provided a further update to the Customer Charter and the history of the previous charter and reasoning for the Review. The new Charter is described as aspirational to ensure Customers are honest and provide correct information and what HMRC promise to deliver in return.

Following the HMRC Charter presentation & update, there was a full and frank discussion regarding the content, layout, HMRC ambition, with various suggestions made and alternative wording proposed. Focussing on how the Charter may be received by small business. ABAB felt it was important that the Charter landed well internally and that there was buy-in from HMRC staff, perhaps linking it with performance measures. ABAB had a number of recommendations and it was suggested and agreed that Rebecca Benneworth would review the initial draft and present an alternative version for consideration by Customer Executive Committee (CEC) ahead of the formal 12-week consultation period.

Post Meeting Note: ABAB submitted their recommendation and alternative version to Mervyn Walker (CEC) who acknowledged it is important that the Charter is clear and accessible, and Rebecca's draft offers some excellent suggestions. The HMRC Charter will use the consultation period to return to ABAB and discuss your suggestions in detail.

AP 5: Add the Charter to the Forward Look to return to ABAB at the May Board meeting

8. OTS Director's Report

BD provided a summary of various reports and areas OTS currently working on or interested in pursuing:

- Two reports published: Taxation and Life Events – response has precipitated various conversations.
- Currently in a holding position about the Chancellor's commission in regard to Capital Gains Tax.
- In discussion with HMRC about administrative topics to be reviewed including non-statutory rulings.



- Items being debated for adoption for reviews include but not limited to reporting and paying tax for self-employed people, pensions and filing returns, customer journey for the payee – waiting for guidance from government on the commissioning of this work.

9. ABAB Working Group (WG) Reports

- EUTU Working Group – Held teleconference 31st Jan, terms of reference reviewed due to renaming of WG with no changes due to broad statements, discussions around businesses not preparing until clear communications issued on steps to be taken.
- Customer Experience Working Group -Met 15th Jan, topics discussed tax terminology tool, customer journey and customer charter of which two were asked to attend the Board meeting after initial discussions.
- Tell ABAB – Working Group met 16th Dec and the questions for the Tell ABAB Survey have been approved to launch the Tell ABAB Survey on 10th Feb. MB commented on questions: Basic demographic and trend questions remained the same for comparison purposes, EUTU question was included and further questions will be possibly launched in another survey closer to the end of 2020, off payroll questions were not submitted and will be revisited for the next survey.

10.AOB

- RB discussion around Tax Burden changes on individual taxpayers including high income benefit charge and disposal of residential property and individuals are not aware of the rules and neither are their legal representatives.
- CS informed that these are topics being discussed across various forums were RS is chair and concerns are being flagged.