

Administrative Burdens Advisory Board

18 May 2020

Minutes

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

HMRC & HMT attendees: Lucy Pink, Jan Owens, Chloe Evenson, Anna Thomas, Claire Williams, Lee Farrington, Jack Warrior, Colin Shingler, Madeline McGrillen, Barbara Matus, Wahida Begum, Dhanisha Patel

1. Introduction & Welcome

- Teresa welcomed the Board in attendance and explained how she would chair the virtual meeting.
- Teresa welcomed Jack Warrior from Payroll Benefits and Kind, Anna Thomas and Claire Williams from MTD.
- Apologies: **ABAB Board:** Paul Morton, Violetta Parylo. **HMRC:** Ruth Stanier

2. Self - Employment Income Support Scheme (SEISS)

CS provided the following update:

- Claims Process went live on 13/05/20
- Applications process has been made as simple as possible
- Feedback from claimants has been very positive
- Over 1 million claims received in the first 48 hours which totalled around £3.2 billion. Payments are being made within 6 working days
- HMRC estimate three and a half million people are eligible for SEISS
- In order to try and flatten the demand, preferred dates have been issued to people of when they can make the claim - open to all now
- Customers who have not been contacted by HMRC, are encouraged to use the eligibility checker, to check if eligible and make a claim if they are.
- For those clients that are classed as ineligible, agents can submit a G-Form on behalf of their client.
- Agents cannot and should not make a claim on behalf of their clients

ABAB Board members advised that feedback from their clients who have claimed has been very positive.

- ‘Thank you, great job, WOW, well done and congratulations to the Team’
- ‘Every single one of my clients has completed their claim, even those with limited IT skills, they advised it was “absolutely brilliant”, “unbelievable good”, this is praise indeed’

AP1: KT to forward email to CS detailing a Job Retention scheme query

AP2: MM to pursue a problem case raised RB regarding Government Gateway access.

AP3: CS asked ABAB Board to provide feedback (via ABAB secretariat team) on 1. How do HMRC contact the hard to reach sectors of the SEISS community 2. Are there any gaps in the HMRC 's SEISS communications?

2. Tell ABAB/Annual Report Summary Points

Malcom walked the Board through the Tell ABAB summary circulated, highlighting the following points:

- More respondents completed the survey this year than last year and total far exceeded the 10% increase target we had set.
- There was a much greater responses from established business then start-up businesses, we will look at ways to address this next year
- 80% of respondents responded positively to the sign-up and submission process for MTD.
- There were various comments around the increased cost to small business which has been previously highlighted by ABAB. It is however too early to measure the cost/benefit for companies.
- Positive responses for the contacting HMRC section of the survey, Skype the least favoured
- Respondents think that legislative burden for small businesses has increased in 2019/20
- Tell ABAB Report due to be published on GOV.UK in Autumn 2020

ABAB Board comments:

- '5725 responses are an astonishing number. It's fantastic!'
- 'Survey includes reasonable responses and good feedback for HMRC''
- 'In general, surveys tend to attract the more dissatisfied'

AP4: PA to circulate Taxation article

AP5: TG asked Board Members to review the Annual report 'strawman' circulated and send their comments or any omissions to TG/MM. The Annual Report is due to be published on GOV.UK in Autumn 2020.

3. Payrolling Benefits in Kind Progress Report

Jack Warrior talked the Board through the changes to Payrolling Benefits in Kinds Guidance, which were outlined in the paper circulated prior to the meeting, highlighting the challenges and following customer feedback, some changes to the current guidance and processes have been identified that will allow employers to begin payrolling during the tax year. These circumstances are limited to ensure that an employee is not taxed twice on their benefits through an incorrect tax code change.

ABAB Members Feedback:

‘Really see what you are trying to do, thanks you so much, think employers would be more confident if examples could be included’ – this is in hand.

‘GR highlighted different treatment of Car benefits for his company which seemed to indicate existing system not running exactly as it should be.’

AP6. KT to send comments to JW on briefing paper circulated

AP7: JW to investigate example GR raised

4. Making Tax Digital (MTD)

CW provided an update on the MTD review published on GOV.UK on 19 March which provided an evaluation of the introduction of the Making Tax Digital programme

<https://www.gov.uk/government/publications/making-tax-digital/overview-of-making-tax-digital#review-and-research>

- This included a document which evaluates how the Making Tax Digital service for VAT has operated since its introduction,
- as well as eight research documents which provide evidence to support some of the conclusions in the evaluation document
- Evaluation reports that MTD is working as intended however there have been some teething troubles which have been acknowledged and improvements have been made
- Research shows that businesses are starting to benefit from the improved working practices
- Monitoring continues against customer costs e.g. software and training incurred
- 83% of businesses signed up to MTD for VAT, with this figure remaining stable currently at 84%.
- There has been some deregistration, and this is being monitored

MTD Comms plans to encourage the remaining 16% to sign up includes:

- Messaging to nudge, advise and support businesses to sign up
- Research into barriers to sign up has been conducted and will be published shortly
- Outbound calls
- Final step is to issue penalties where businesses have still not signed up

ABAB Board response:

- ‘Too early to comment on MTD benefits, software costs have been highlighted previously by ABAB and in Paul Aplin’s article in Taxation: ‘Making tax digital- taking stock’
<https://www.taxjournal.com/articles/making-tax-digital-taking-stock>
- ‘Many tax agents see digital as a positive, Representative bodies surveys saw a significant move from 45 % to 75% advising Digital was ‘good’
- ‘Cost, Admin Burden and efficiency savings were drivers, and this is still Work in Progress’
- ‘Slightly disappointed with 84% sign -up – support outlined Comms messaging and encourage a pragmatic approach to application of penalties’

5. Statutory Sick Pay Rebate Scheme (SSPR)

LP advised the Board that the coronavirus Statutory Sick Pay Rebate Scheme will be launched online on 26 May. The scheme will enable employers with fewer than 250 employees to claim coronavirus-related Statutory Sick Pay (SSP). Tax agents will be able to make claims on behalf of employers. Communications will be issued shortly, so look out for that.

[Post meeting Note: detail issued on 19 May to ABAB Board]

6. AOB

Teresa closed the meeting, thanking everyone for their time and input.