



HM Revenue  
& Customs

# Working in partnership

An update for HMRC's external  
stakeholders March 2009



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# Foreword

I would like to take this opportunity to thank you all for your ongoing commitment to helping us improve the services that we provide to our customers. We recognise that we do not always have all the answers and we welcome and value the positive contributions that you make.

Whilst we make every effort to co-ordinate our requests for consultations there are, unfortunately, times when this is not possible. We understand that the sheer volume and regularity of some of these consultations can sometimes be both daunting and physically overwhelming, especially during these times of economic difficulty and uncertainty.

We do, however, greatly appreciate the work that you do and the time that you give up to help us. The outcomes might not always be to everyone's liking but that is what sometimes happens when those with diametrically opposing views come together. Many of the updates to ongoing projects, contained within this quarter's booklet, are testament to the genuine benefit of strong stakeholder engagement and the role that you have to play.

I would, therefore, like to thank you all for what you have done so far, and personally encourage you to continue participating, or start doing so if you have not done so already, as your contributions are extremely important to us. They have a genuine impact on shaping how we take the department forward in the future.

I would also like to take this opportunity to draw your attention to our annual stakeholder event that will take place on 18 June 2009. Formal invitations will be sent out shortly. As with last year's very successful event, the format will be a "marketplace" style, which will provide you with the opportunity to learn more about the wide variety of work undertaken across HMRC. I hope that you will take the opportunity to come along and we on the senior management team look forward to seeing you there.

A handwritten signature in black ink, appearing to read 'Dave Hartnett', with a long, sweeping line extending upwards and to the right from the end of the signature.

**Dave Hartnett**  
Permanent Secretary for Tax

# HMRC Purpose, Vision and Way

## Our Purpose

- We make sure that the money is available to fund the UK's public services
- We also help families and individuals with targeted financial support

## Our Vision

- We will close the tax gap, our customers will feel that the tax system is simple for them and even-handed, and we will be seen as a highly professional and efficient organisation

## Our Way

- We understand our customers and their needs
- We make it easy for our customers to get things right
- We believe that most of our customers are honest and we treat everyone with respect
- We are passionate in helping those who need it and relentless in pursuing those who bend or break the rules
- We recognise that we have privileged access to information and we will protect it
- We behave professionally and with integrity
- We do our own jobs well and take pride in helping our colleagues to succeed
- We develop the skills and tools we need to do our jobs well
- We drive continuous improvement in everything we do



# Spreading the word about Tax Credits

Educating the public about the Tax Credits system is an essential part of our strategy to make sure that as many people as possible receive the Tax Credits and Child Benefit payments to which they are entitled. This is central to the Benefits and Credits Directorate's drive to support the government in tackling child poverty.

Previous customer research identified that some people living in disadvantaged areas across the UK were not claiming the benefits to which they were entitled. The Alum Rock, Saltley and Ward End areas of Birmingham were typical of these customers and they were chosen for a pilot project for customer outreach.

Phase One of the Birmingham Outreach Pilot, which ran in October 2008, tested new ways of working with customers. Benefits and Credits volunteers went out into the community to raise awareness about Tax Credits and Child Benefits and to encourage take-up for those eligible to claim. They spread the word in branches of Asda and Lidl, two children's centres and a neighbourhood office. Posters and leaflets were distributed to GP surgeries, health centres and schools.

The pilot met with a very positive response from the public. It showed that HMRC is not a faceless organisation. Some volunteers spoke Gujarati, Urdu, Hindi and Punjabi, which greatly helped accessibility in a multi-cultural community. By being able to converse in their own language, a number of potential customers were put at ease and this encouraged them to claim.

The pilot was a resounding success. There were a total of 54 new claims, which exceeded expectations and over 1,300 existing or potential customers requested information. To date, the pilot has resulted in awards of £12,580 in Child Tax Credits, £2,410 in Working Tax Credits and £11,379 in joint Tax Credits – a total of £26,369.

HMRC people found this work extremely rewarding. They experienced first hand how they can make a positive impact on peoples' lives, such as the mother who was able to buy her son a winter coat with the Tax Credits she received.

During the second phase of the project, the Benefits and Credits Directorate will be working closely with the Customer Contact Directorate to extend the customer outreach approach across the country, with special emphasis on those areas of most need.

# Using marketing to make a difference

The Benefits and Credits Directorate supports the Government's aim of halving the number of children in poverty by 2010-11, on the way to eliminating child poverty by 2020.

We aim to help customers make accurate claims for Tax Credits, Child Benefits, and from 6 April 2009 the Health in Pregnancy Grant, so that they receive any payments that they are due as quickly as possible.

Marketing our products effectively is an essential part of making ourselves accessible to customers.

To be fit for purpose, all our customer focused material, from promotional leaflets, to claim forms and decision notices go through a rigorous quality assurance process, to make sure that information is accurate, clear and up-to-date. We always ask the question, does it achieve what it set out to do?

We use consistent themes and language in our customer communications. The key messages have been tested with customers and developed to engage with and support them during major events in their lives. An example of a key message, currently being repeated on a range of customer focused literature is that Tax Credits are flexible and designed to change when a customer's life changes. This type of message is designed to act like a memory trigger, to give customers a gentle nudge.

Every year we ask our Tax Credits customers to renew their claims. A major campaign focus for 2009 is the Tax Credits renewal period from April to 31 July 2009. The central message for the campaign is renew early. The 2008 campaign was highly successful in prompting customers to renew by telephone, with around 11 per cent more using this method, compared to 2007. Research has shown that many customers prefer talking to us, rather than dealing with us by post.

Throughout the renewals campaign period, we carry out research through an independent research company, who conduct face-to-face interviews with customers across the country. This tracking tests customers' awareness of the messages conveyed in the campaign and assesses the most effective media for getting our messages across. Previous research has shown conclusively that radio messages are highly effective in reaching Tax Credits customers and that they respond well to a TV prompt at a later stage in the renewals campaign.



Customer experience across HMRC, with everything from Self Assessment (SA) to the Child Trust Fund, has also brought home to us that some of our customers are likely to put off replying to HMRC. Tax Credits are no different in that respect. The renewals campaign is aimed at positively influencing and, therefore, changing customer behaviour so that they help us to make sure that their Tax Credits payments are accurate.

Other major campaigning activity planned for this year includes:

- encouraging customers to report changes in circumstances, particularly a child moving into further education or a partner moving in
- publicity aimed at new and expectant mothers to increase their awareness of entitlements, including the new Health in Pregnancy grant
- a pilot with six local authorities in partnership with the Local Government Association to encourage more council employees to take up benefits
- increasing awareness of Working Tax Credit among customers without children, but on low incomes.

All this activity is underpinned by research. Our customer insight led to the development of a folder to store a range of easy to use material and the Tax Credits claim which will be used for new customers from April 2009. The folder has been extensively tested with customers throughout its development and the guidance notes are much shorter and written in a style which we know customers understand and engage with. They now include more illustrations to give clear help in areas where we know customers encounter difficulties.

Our hard work is beginning to make a difference in reaching more customers and in helping them get their claims right.

# Paying suppliers' invoices

In October 2008, the Prime Minister announced that, to help businesses during the current economic downturn, all Government departments would work towards paying supplier invoices within 10 days.

Each month HMRC pays approximately 50,000 supplier invoices, the majority on 30 day terms. HMRC is reviewing its payment management arrangements to work towards paying invoices within 10 days. Everyone in HMRC, who orders or requisitions goods and services, understands that they have a part to play in making 10 day invoice payment a real success during a challenging period for businesses.

# The Teaching Support Programme – a new HMRC initiative for schoolchildren

HMRC will launch its new and innovative Teaching Support Programme in May. It aims to teach children about tax, so that they understand how paying tax helps society function. More practically, it tells them what they need to do about tax and National Insurance when they leave school to help them make a smooth transition into the world of work.

The Teaching Support Programme has its roots in the Cross-Government Financial Capability Action Plan, published in July 2008. This has children and young people as one of its core target groups – as they are our customers of the future. Each year nearly a million young people enter the tax system for the first time and many make mistakes at the start, which is frustrating for them and expensive for us. The aim is to teach them about tax before they leave school, so that they understand more about their entitlements and obligations and can have a better experience of HMRC from the start.

The first part of the Teaching Support Programme involved building an animation, a cartoon and a game for five to 11 year olds. You can find these in the 'Big Blue Office' in the kids' area of Directgov, the government website for citizens. In May we launch 'Tax Matters', a set of three modules for 11 to 19 year olds, which covers:

- Tax and society (citizenship)
- Income Tax
- National Insurance.

They have been designed to be quite different to our usual products. They use video interviews, interactive online games, factfiles, quizzes and fun facts to help teachers make lessons interesting. We plan to deliver these modules in partnership with websites which already attract teachers. We will also re-launch the Education Zone on the HMRC website, which will link to all our material.

The 'Big Blue Office' and 'Tax Matters' are our contribution to a new initiative led by the Department for Children, Schools and Families, which will see financial education become part of the National Curriculum in schools. This will also benefit HMRC in other ways. We will be providing teaching materials for our growing army of corporate responsibility volunteers, who go out and do volunteer teaching in schools. We also plan to extend our range to support to young adults who are not in employment, education or training. And our innovative new visual approach will give us a test bed for introducing new products for our adult customers too.

Finally, we have looked to see what other countries offer. We have found that some countries, especially Japan and Turkey, are ahead of us with well developed tax programmes for children. We hope to learn from them and develop our links with them as the Teaching Support Programme grows.

# HMRC – building an accessible website

The HMRC website is one of the largest of any government department in the UK. It provides over 170,000 separate pages and over 200 different online services, tools and calculators. Its size and scale mean that we need to take a proactive, but long term, strategic approach to improving accessibility.

The challenge for HMRC is to continue to meet the needs and expectations of the customer as more and more people opt to search for information and use services online. We are working to provide an inclusive, understandable, accessible website where people can access the HMRC information and services they need.

We want to make it easier for customers to pay the tax and duty they owe and receive the credits and payments due to them. This also helps us fulfill our responsibilities as a public body and to act as a model of accessibility best practice for others to follow.

HMRC's strict accessibility standards require that all new website content, products, and applications meet the requirements of the Disability Discrimination Act and adhere to internationally accepted standards. By applying these standards, we aim to make our site simple to use and accessible to all.

We know that some of our customers can only access the internet using specialist devices or digital media. To make sure that these customers receive the same quality of service as others, we consistently apply the established international standards when producing any new content or services.

The HMRC standards are incorporated at each stage of the HMRC system development lifecycle to make sure that our accessibility aims are met and new services are built to our standards. We also carry out regular accessibility testing through a planned, formal process involving external disabled users.

We identify and implement accessibility improvements on a priority basis, balancing factors such as level of usage and level of adherence to accessibility standards and, most importantly, by listening to customer feedback.

We are also improving the accessibility of older content by undertaking a major long term review of website content, as part of our web convergence programme. This includes rewriting content to make it easier to read and redesigning page layout to aid navigation and search functions. To date, over 800 new articles have been written, and we have categorised over 20,000 pages to improve the site's search function.

Our customers' views are key. We conduct regular consultation and research with disabled customers and actively seek the view of disabled users on the quality of our website through our Disabled Customers' Consultation Group.

If you have any comments or suggestions on how HMRC can improve web accessibility, please send your comments to us using the feedback forms on our website at <http://www.hmrc.gov.uk/comment/index.htm>

## Tribunals Reform update

Since our last update in December a lot more progress has been made and we are on course for successful implementation of tribunals reform and internal review in HMRC on 1 April 2009. With implementation just a few weeks away our focus is on three areas and key relationships:

**The Tribunal** – The rules governing the administration and procedures of the new First-tier Tribunal and Upper-tier Tribunal have been finalised. We will continue to work closely with the Tribunals Service beyond April. We will make sure that our forms and guidance are clear, easy to use and consistent with HMRC's and Tribunals Service requirements, to help customers achieve a seamless transition.

**Our customers** – Accessibility has been at the forefront of our thinking. Guidance, learning, and awareness packages have been produced, with more to come in April. These have been created with the help of invaluable contributions from the HMRC Agent group and many other stakeholders. Our products can be obtained from HMRC's website or in hard copy, following a telephone request.

**Our staff** – About 60,000 staff will be completing the basic awareness learning package and all staff engaged in carrying out internal reviews will receive comprehensive training.

The new review process being implemented in HMRC will provide customers with access to a consistent form of dispute resolution, which will avoid the need for a tribunal hearing in many cases. If customers do not want a review or do not agree with the review decision they can ask for their case to be heard by the new, manifestly independent, tribunal which the Tribunals Service have created.

If you would like to know more about Tribunals Reform please visit our website at [www.hmrc.gov.uk/about/tribunals-reform.htm](http://www.hmrc.gov.uk/about/tribunals-reform.htm)

# Self Assessment Tax Returns – a record breaking year

A total of 5,759,006 people filed online by the 31 January deadline. An increase of over 50% on the 2008 total of 3.8 million users.

The Carter Programme has delivered a new online tax return for SA running on an improved infrastructure across two data centres. Additional capacity was added to manage the increased volume of returns which were forecast during the January 2009 filing peak. Our rigorous testing, meant that we were confident the enhanced infrastructure would cope with the anticipated increased volumes, which proved to be the case. Over the final few days volumes were huge. We received 390,000 returns on 30 January and a further 240,000 on 31 January alone.

The 31 October 2008 paper deadline for SA tax returns encouraged customers to file online and has, quite naturally, changed the filing profile. Tracking research indicated that our use of Moira Stuart to front our media coverage worked well and that our advertisements were having a strong influence on both awareness and behaviour.

The Carter Programme has aimed, from the outset, to be customer focused and we have built a very close relationship with tax agents to help design the service and to prepare them for change. The high level of returns filed online indicates that our work is bearing fruit.



31  
Jan

Don't forget to do your Tax Return  
online by this Saturday at [hmrc.gov.uk](http://hmrc.gov.uk)

self assessment tax doesn't have to be taxing

HM Revenue & Customs

## A new focus for 2009

The Programme is now focusing on Lord Carter's recommended changes to PAYE and VAT.

The PAYE service was enhanced in October 2008 to manage changes to in-year filing. From April 2009 employers with 50 or more employees are required to file in-year forms (P45, P46 and similar pension information) online. They have already been advised about this through such media as the Employer Bulletin and Employer CD ROM, as well as a statutory notice. We are following this up by targeting employers with a specially designed "forget me knot" marketing campaign which included a direct mail shot in February, reminding them of their new obligations.

The VAT service is also changing. We intend that compulsory online filing for VAT traders with an annual turnover of £100,000 and over, and all newly registered traders, will be introduced from April 2010. These trader groups are also required to pay electronically. Our publicity campaign starts this April, when we issue a direct mail shot to around two million VAT traders.

## Businesslink.gov.uk – making services available to every customer

Access to the right information and guidance to start, or run, a business can sometimes be challenging. In recent months, to help every user make the most of the services it offers, businesslink.gov.uk, the online presence for the business advice and guidance service Business Link, has been improving its accessibility. Following the principles of transformational government, to design and deliver public services around the needs of the customer, businesslink.gov.uk has been working to meet and exceed accessibility guidelines and establish processes that will maintain these standards through any future developments.

By 2011, the public service's strategic plan intends that businesslink.gov.uk will be the preferred web portal for any business seeking authoritative advice. It will offer simple and efficient ways for businesses to transact with Government and provide businesses with advice and support which is easy to understand and access.

Following the publication of the Central Office of Information's *Delivering Inclusive Websites* report, businesslink.gov.uk has been working to meet more the rigorous standards of the Web Content Accessibility Guidelines' 1.0 double-A compliance standard. These guidelines set out how sites and their content can be made more accessible, especially to people using assistive technologies.

We know that small changes can make a big difference. Any significant images on the computer screen can be coded so that a text description is picked up by those using screen readers. Eliminating screen flicker, dividing large blocks of information into more manageable sections, or providing the facility to increase text size can all help to make it much easier for someone with disability to access information more quickly.

Businesslink.gov.uk recently underwent an independent audit by the Shaw Trust's Website Accessibility Accreditation Service, and in September 2008 the Trust awarded businesslink.gov.uk an accessibility accreditation to their double-A standard.

Businesslink.gov.uk user experience manager Natalie Bone has overseen many of these changes. She says: "We worked with the Shaw Trust to find the parts of our website that didn't comply with the guidelines, and then we worked to fix them. The Trust used automatic tools to test the pages we gave them, but they also tested them with a team of people who were using different assistive technologies. That gave us valuable feedback to show how we could improve, and we are continuing to do so."

As well as addressing existing website templates, the businesslink.gov.uk team has looked at how the site might change in the future: "We have worked hard to develop internal guidance and processes so that new developments to the site are accessible. For example, ensuring that accessibility is included in requirements, that a project is built technically in an accessible way, and that project wireframes – basic visual guides which suggest the layout of fundamental elements of the interface – are reviewed so that the site is compliant from the user interface side," says Natalie.

In addition, those working for businesslink.gov.uk have been through training to understand the importance of accessibility and how it can relate to a website's content and design. Natalie adds: "We've made a real effort to weave content together so that people can easily find what they are looking for. Our ultimate goal is to help people with their businesses."



# Dedicated service for our most wealthy customers

We continuously review our organisational structure to make sure that HMRC is best placed to provide a professional service. As part of this process, we are re-organising the Complex Personal Tax Team to use resources more effectively. This will involve the creation of a dedicated High Net Worth unit responsible for a small number of our most wealthy customers. This unit will:

- build relationships to help us better understand these customers and to make it easier for them to get things right
- better tailor service delivery for these customers through proactive engagement and by providing a single point of contact and a holistic approach to their tax affairs.

Some of our customers currently dealt with by Complex Personal Returns Teams will move to this new unit. Others will move to our main Customer Operations unit. We are writing to all customers and their agents affected by these changes to let them know what is going on.

## Paying HMRC by online Direct Debit

Customers can now pay direct taxes online by Direct Debit. To pay this way a customer has to register and enrol to use direct taxes online services such SA, Corporation Tax or PAYE for employers. The only other condition is that the person setting up the Direct Debit must be able to authorise direct debits from the bank or building society account on their own.

A customer can make a single payment for one of nine different taxes. There is a facility for SA customers to set up a Budget Payment Plan (BPP). Any customer told that they have been overpaid Tax Credit can set up a 12 month Repayment Plan.

Once the online Direct Debit Instruction (DDI) is created, it remains in force for 13 months after the last Direct Debit payment and can, therefore, be re-used. A future payment can be set up as soon as the amount due is known.

We will collect payment on the date specified. Customers can amend or cancel single and budget payments up to three bank working days before the collection date.

Customers who pay by Direct Debit:

- find it safe, secure and available 24 hours a day
- are in control, need never miss a due date and know payment will reach us
- avoid having to write cheques and pay postage
- are protected by the Direct Debit Guarantee, unlike other payment methods.

An online DDI must be completed at least **five bank working days** before the first payment date. For further payments using the same DDI a customer only needs to allow **three bank working days**. The customer checks the payment details and re-enters their User ID and password. The Advance Notice displayed confirms how much HMRC will collect and when. The Notice can be saved or printed. The Direct Debit payment will be visible online within **36 hours**.

More than 6,000 customers paid by Direct Debit during the January SA filing and payment peak. We are encouraged by the high proportion of SA customers who took advantage of the BPP.

The BPP is an easier way for customers to pay their SA tax. The Plan is voluntary and allows customers to make regular payments towards a future liability. It is flexible and a customer can:

- decide the regular weekly or monthly amount they want us to collect
- choose to change their regular payment amount
- take a break and suspend payment for a period of up to six months
- cancel the BPP at any time.

We have started to publicise the service to our customers. There is information about paying by Direct Debit on [www.hmrc.gov.uk](http://www.hmrc.gov.uk) select 'Paying HMRC' from the 'quick links' menu on the front page and look under SA or PAYE.



# In partnership with agents and employers

Employers have told us that when they have a problem or need some advice, it is often difficult to reach the right person. Our Large Business Service (LBS) provides the largest employers with a Client Relationship Manager (CRM) who is responsible for taking an overview of the corporate group's tax affairs. This service sometimes needs to be supplemented by similar contact from our operational teams. We have, therefore, set up a pilot with 10 large employers where we have an operationally based CRM complementing the current LBS CRM role. This will help us determine the arrangements that we should set up to be most useful to employers in the future.

By providing a single point of contact for smaller employers, we are looking to bring dispersed expertise together, to provide a joined up service for employers. This will help to eliminate the need for them to contact several parts of the Department.

Employers and their representatives are working closely with us to help us deliver improvements to our service. They are really helping us to understand more about what is involved from an employer perspective.

We are continuing our work with agents and, although we may not be able to deliver everything they ask for, by working together and understanding agents' business needs better we are confident we can provide an improved and well received service.

Along with the introduction of agent dedicated lines and the improvements to our web pages, we also put in place additional support for agents as the 31 January online filing deadline approached.

As an interim measure, we brought in fast track arrangements for obtaining authorisation to act on behalf of a client and for obtaining a Unique Taxpayer Reference more quickly. Several thousand agents took advantage of this additional support.

We have also recognised that intermediaries in the voluntary and community sector provide a valuable service by representing people who might not, otherwise, have access to help. One such organisation is Tax Help for Older People, who try to help mainly retired people who have previously been dealt with under PAYE or who are having to deal with HMRC for the very first time.

We want to work more closely with tax specialists in the voluntary and community sector. We are currently exploring ways in which we can offer them access to some of HMRC's agent services too.

You can keep up to date with news for Agents on the HMRC website <http://www.hmrc.gov.uk/agents/index.htm> or download one of our agent podcasts from <http://www.hmrc.gov.uk/podcasts>

## HMRC's Charter update

In the 2008 Budget, the Government confirmed that it is committed to ensuring that the tax system is useable and accessible for all taxpayers and said that the Charter could play an important role in that relationship. In the last 12 months HMRC have engaged directly with a wide range of different customer groups, to better understand our customers' needs and how they would prefer to do business with HMRC.

In June 2008, HMRC published a formal consultation document on the scope of the Charter and invited views on what the Charter should cover.

An overwhelming majority of respondents said that the Charter should:

- fit onto one A4 sheet
- cover HMRC's high level values and principles
- explain what HMRC expects from customers and taxpayers.

One of the clear messages which came from the consultation was that the Charter should contain four component elements:

- an overarching statement
- what people can expect from HMRC
- what HMRC expects from the public
- accessing information from HMRC.

HMRC has produced a draft Charter, which is based on the views expressed by contributors to the consultation and can be found at: <http://www.hmrc.gov.uk/consultations/index.htm>. The second consultation focuses on the draft Charter and seeks views from stakeholders on how it meets their needs. If you would like to contribute, HMRC would appreciate your responses by Tuesday 12 May 2009.

You can send in your comments:

by e-mail to: [charter.consultation@hmrc.gsi.gov.uk](mailto:charter.consultation@hmrc.gsi.gov.uk)  
by post to: HMRC Charter Team, Room 3E/02, 100 Parliament Street,  
London SW1A 2BQ, or  
by fax to: 020 7147 0391

This document can also be accessed from the HMRC Internet site:  
<http://charterconsultation.hmrc.gov.uk>

The Charter Team can be contacted by telephone on 020 7147 2365.

## HMRC Capability Review

Whilst HMRC is making good progress in meeting its current and future challenges, we still have a significant amount of work to do, according to the Cabinet Office review team.

Sir Gus O'Donnell, Head of the Civil Service, and members of the Capability Review team, visited HMRC in December to give their view on the progress that HMRC has made over the past 12 months. They praised us for setting a clear direction, through the launch of the Vision, and for continuing to clarify the accountabilities of senior managers.

They also highlighted three key areas where more work was needed:

- accelerating the Workforce Change Programme, to provide certainty for our people
- turning our Vision statement into reality by setting clear priorities and committing to seeing them through
- clarifying the accountabilities of the Chief Executive, Chairman and Permanent Secretary for Tax.

Chief Executive Lesley Strathie said: “This review process provides us with the opportunity to acknowledge the progress we’ve made so far and determine what we still need to do to drive forward continuous improvement in our work. What’s most important is that the recommendations made by the external reviewers become reality and play a central role in shaping the future of the Department.”

Our next milestone will be the Re-Review, which is due to take place later this year. This is a comprehensive reassessment of HMRC’s capability under three broad categories of Leadership, Strategy and Delivery, in addition to the specific action areas we have been focusing on over the last year. The process will be similar to the original Review in 2007, but will take place in a considerably more challenging economic climate. It will run for approximately three months, from preparation of evidence to publication of the final report.

We now need to pull together robust evidence for the Re-Review to give an accurate view of HMRC and to demonstrate that we are improving. Input from our staff, customers and stakeholders will be critical to our success.

## Giving ratepayers easy access to information

Some 1.8 million properties in England and Wales are liable for business rates. The businesses which use and occupy these properties, will have recently received their rates bills for 2009-10 from the local authorities who administer the system. Included with the bill is a fact sheet from the Valuation Office Agency (VOA) about the 2010 revaluation of non-domestic property values. The fact sheet outlines the implications of the revaluation for ratepayers, the reasons for doing it and the timetable, including when ratepayers can expect to receive their new valuations and what, if anything, they need to do.

This approach recognises that, while the revaluation may be carried out by central government, the real point of contact for the ratepayer is the rates bill from the local authority. Creating access to information in this way, where it matters for the ratepayer, has been the result of collaboration between the VOA, all local authorities, the Local Government Association, Communities and Local Government and the Welsh Assembly Government.

We are also working with the local authorities to provide information that can be used by their customer facing staff to deal with enquiries, to support resolution at first point of contact, regardless of where the enquiry is received.

Providing access to clear information, so that customers have less need to make an enquiry, is also a key part of the strategy. Our website carries information about the revaluation, which will be regularly updated. The fact sheet sent with bills has the details of this and we are encouraging local authorities to link from their websites to ours, supporting consistency.

To increase awareness, we are building on existing relationships with stakeholders such as trade associations and the Federation of Small Businesses, providing them with information for their members in the form of articles for their publications or websites. We are also taking advantage of the opportunities provided by trade publications and local advice events to target our messages to small to medium sized businesses, which are often those with the greatest need for information.

For more information on business rates, rateable value and the revaluation for 2010, visit [www.voa.gov.uk/2010](http://www.voa.gov.uk/2010)

## The new HMRC People Survey

Everyone in HMRC has had the chance to say what they think about the Department as part of a radical new employee survey.

All 90,000 staff were invited to air their views in the survey, which has been commissioned by the Cabinet Office. The survey is also being run in eight other government departments and will be launched across the whole Civil Service in the autumn.



The survey aims to:

- Help departments understand and assess the link between employee engagement and performance
- Understand which aspects of working for the department makes employees feel engaged, and what has a negative impact
- Use this information for people, business and change strategies
- Support line managers in understanding engagement levels among their staff, and to plan activities to improve engagement
- Embed the employee engagement concept across the Civil Service.

The survey will allow a more detailed analysis of the results and HMRC will be able to compare results against those of other departments.

Chief People Officer Cathy Wilcher said: “When it comes to improving things for people we know that communication and engagement with direct management is the thing that really turns things round.”

“The HMRC Vision is all about helping staff do an excellent job and promoting professionalism and integrity. The new survey will measure how well different parts of HMRC are performing and enable us to give people the support they need.”

## Business and People Support

Business and People Support (BPS) is a specialist team in HMRC who provide confidential support to staff and managers on a range of people issues. All BPS officers are trained in specialist counselling skills and hold organisational membership with the British Association of Counsellors and Psychotherapists.

The majority of calls received are from staff who need support with work or home related issues. These include relationship or financial problems, stress, worries about job security, or concerns about performance or attendance.

The team helps managers faced with particularly sensitive situations or exceptional circumstances. A mediation service helps repair working relationships as it is understood that early resolution can help resolve conflict. Mediation techniques focus on establishing common ground between the parties, an approach which is quick, dynamic and solution focused.

We can also provide post trauma support for both individuals and groups. This may result from the death or serious injury of a colleague or a member of the public. Our support helps them come to terms with what has happened and to help maintain or improve their general wellbeing.

As part of the Corporate Shared Services Directorate (CSS), we make our services and expertise available to 10 other government departments including HM Treasury, Northern Ireland Police and Serious Fraud Office. HMRC operates this service on a non-profit making basis, as other departments only pay the actual cost of the services used.

Joe Stuart, Director of CSS, says ‘this is an excellent example of cross government working. HMRC is maximising the resource and expertise developed in delivering a BPS service and offering this to other departments, cost effectively.’

## Review of HMRC's Powers, Deterrents and Safeguards

The aim of the Review is to align and modernise the powers and taxpayer safeguards that HMRC inherited from Customs & Excise and Inland Revenue.

The Review started in 2005 and consults on parts of its work as they are developed, feeding the results into successive Finance Bills. This has enabled priority to be given to key areas where early alignment has been needed and made the consultation process more manageable.

We recognise that this piece meal approach can sometimes make it difficult to remember which changes have been enacted, which are still subject to consultation and what work is still to be done. Following calls for a route map we published The Review’s Work Programme, in November 2008, which can be found at <http://www.hmrc.gov.uk/pbr2008/review-work-prog-2401.pdf>

This evolving document describes why the Review was set up, its aims, the design principles that inform its work, its methodology, and the importance of safeguards. It also includes a description of completed, current, and future work, along with emerging plans for implementation.

The Review has already enacted legislation in Finance Acts 2007 and 2008 that:

- aligns and modernises penalties for incorrect tax returns and failures to notify taxable activities
- creates a framework of aligned powers to check taxpayers' affairs across IT (including PAYE), CGT, CT and VAT
- aligns some of HMRC's powers to collect debt and enables HMRC to accept payment by credit card.

Getting the legislation right is crucial, but equally so are the steps that HMRC takes to make sure that the new powers, deterrents and safeguards are implemented effectively and deliver real change.

The legislation covering both penalties for incorrect returns and compliance checking will come into effect from 1 April 2009. As part of implementation external stakeholders have been involved in the development of technical and operational guidance and a comprehensive learning package. This guidance and learning will be published on the HMRC website. Considerable work is also being undertaken to raise awareness of the changes among taxpayers and their Agents.

Looking to the longer term, Ministers have decided to set up a forum to oversee implementation. The forum will be chaired by Dave Hartnett, HMRC Permanent Secretary for Tax, and made up from external stakeholders who will form the majority, and relevant HMRC Directors. The forum will report to Ministers and those reports will be published. The forum will oversee how HMRC handles implementation, as well as how the legislation is used to facilitate any necessary positive collective behaviour, change, amongst taxpayers, their representatives and HMRC, which are all equally important.

Contacts:

Review of Powers – [powers.review-of-hmrc@hmrc.gsi.gov.uk](mailto:powers.review-of-hmrc@hmrc.gsi.gov.uk)

New Penalties – [New.Penalties@hmrc.gsi.gov.uk](mailto:New.Penalties@hmrc.gsi.gov.uk)

Compliance Checks – [compliance.checks@hmrc.gsi.gov.uk](mailto:compliance.checks@hmrc.gsi.gov.uk)

# Introducing PAYE improvements

This summer will see the introduction of a new PAYE system that will allow us to significantly improve the service we provide to our customers.

The new automated system will transform the way we do business and is a key part of HMRC's plans to create a more professional and efficient Department. It will enable us to deliver a faster, more efficient and accurate service for customers and reduce the burden placed on employers, in particular.

## **One record**

Currently, personal tax records are held over 12 regional databases. The new system will bring together all this information, creating one single record of an individual's pay and tax details however many jobs or pensions they may have. This will enable us to view and amend an individual's record no matter where they are employed in the UK and, as a result, deal with enquiries at first point of contact and manage peaks and troughs in demand more effectively.

## **Service interruption**

In order to introduce the new PAYE system, some elements of our PAYE service may be temporarily interrupted. We will be doing everything we can to minimise the impact of this, but in any instance, the vast majority of our PAYE customers will not be affected. We are sorry for any inconvenience this essential service upgrade may cause. We have already started to work with you to understand the affect this may have and will continue look at ways to minimise the level of any service interruption.

We plan to deliver these improvements this summer and will continue to keep you updated as we develop our plans.

# Stamp Duty Land Tax (SDLT): Online filing success story

SDLT online filing has been very successful, with over 80% of returns being filed this way. This is very pleasing, especially as there is no legal requirement to do so. There are considerable advantages to filing on-line, whether using software from commercial suppliers or the HMRC product. These include the ability to receive an electronic SDLT 5 certificate, which may be needed, by law, to register title to land at the appropriate Land Registry. Since April 2008 we have seen a 24% increase in online transactions.

Stamp Taxes, the HMRC business area responsible for SDLT, were aware that online filing is, by far, the quickest and most efficient method of filing returns. Their challenge was to convince those customers who had not made the move yet, to do so.

Working in close partnership with key stakeholders, representative bodies and commercial software suppliers (all members of the SDLT Working Together group, including the UK law societies, The Land Registry, Registers of Scotland and the Council for Licensed Conveyancers) we developed a joint plan of action. This involved members publicising the benefits of the online service through their websites, in their professional publications and, where possible, through industry events.

Our specialist Outreach team focused its attention on increasing online filing take-up. They paid particular attention on multiple filers, as well as those firms who had made the most mistakes on paper returns. Those who used the 2D barcoded forms, which were discontinued from 1 November 2008, were also contacted. The team ran road shows, which provided tailored, expert advice, made on-site demonstrations, emphasised the benefits of e-filing and offered support during the period of transfer.

HMRC Contact Centre staff, working on the Stamp Taxes Helpline, were also heavily involved. They recommended the electronic system at every appropriate opportunity and referred potential online filers to the Outreach team, if they needed more help. HMRC's Internet site was also used as much as possible to promote the service, and we developed a promotional flyer, which was issued with our general correspondence.

In June 2008, we launched a free promotional DVD which, as well as promoting e-filing, also explained the system, and took users step-by-step through the registration process. We marketed and distributed it throughout the summer and autumn, at launches in London and Manchester, which were targeted at firms who had not yet made the transition to e-filing, or who wanted to know more about it. Copies were also sent to law schools and other training establishments.

The DVD gained business-wide recognition in September 2008 when, as a distance learning tool, it gained continuous professional development accreditation from the Solicitors Regulation Authority. It was particularly pleasing to see customers who were already using the system, acting as its impartial ambassadors.

Whilst an 80% e-filing rate is a remarkable achievement, we cannot rest on our laurels. In order to provide all our SDLT customers with the highest possible standard of service, we will continue to review our approach and find flexible, innovative ways to do so. We will also make sure that our online filing remains a very reliable, efficient and user-friendly service.

You can find out more about SDLT online filing at <http://www.hmrc.gov.uk/sdlt/return/benefits-online.htm>

## Strengthening commercial awareness: New Anti-Avoidance Advisers (AAA) join the Anti-Avoidance Group (AAG)

November marked the arrival of direct tax corporate experts Mark Johnson and Heather Self to AAG, fresh from some of the most senior commercial roles in the profession. Personal tax experts Nigel Doran and Laurence Parry will follow hot on their heels and join HMRC in May/June 2009, bringing AAG's AAA community up to 12 people. Laurence and Nigel will work in close partnership with Charities Assets and Residence Directorate.

AAG's cross-taxes AAA team works collaboratively across all directorates to bolster HMRC's efforts to use the latest commercial intelligence and technical excellence to understand and counter tax avoidance.

Mark Johnson says “After working in banks and Big 4 accountancy firms, joining HMRC as an AAA has been a fresh start and an exciting opportunity to apply my experience while looking at tax from a completely new angle. In my first three months in HMRC, I’ve had the chance to advise on high profile High Risk Corporates Programme cases, provide input into proposed new legislation and contribute to HMRC’s wider policy and strategic approach to my sector. It’s been great”

“HMRC comprises a wide range of specialists, including tax professionals, accountants, lawyers, economists and industry experts. I have really appreciated the dynamic and passionate approach of my colleagues and have enjoyed the opportunity to work with a diverse and multi-disciplined team. Previously, it was easy to see HMRC as an anonymous organisation but I have been consistently impressed by the personalities and talent working hard behind the scenes.”

“With direct and recent experience of tax in both practice and banking, I am able to contribute a practical and commercial perspective to anti-avoidance, which complements the deep technical knowledge that already exists within HMRC. I believe that this combination will help our dealings with taxpayers to be better: customer focused, commercially informed and technically great.”

An established AAG anti-avoidance expert adds:

“From my perspective (a reformed old lag!) it has been an eye opening experience to work with the AAAs and get an insight from such commercial big hitters for the first time, into the concerns that inform the planning of an avoidance structure. It is surprising how often these concerns differ from HMRC’s established understanding of how our potential challenges to avoidance are perceived by the customer. As a result we have been better able to focus on weaknesses in avoidance structures at an earlier stage than was previously the case which is much more effective and more fun.”





# We would really appreciate your feedback on this brochure

A number of our external stakeholders have asked that we only send them an electronic copy of the Working in partnership booklet. So, this quarter, as an experiment, we have decided not to print a hard copy of the booklet and only issue an electronic version. Please let us know what you think. Please e-mail Simon Pink at [simon.pink@hmrc.gsi.gov.uk](mailto:simon.pink@hmrc.gsi.gov.uk) with any comments that you have about the content or format of the booklet.



