HM Revenue & Customs

Agents and HMRC
Working Together

Minutes

Date:	25 April 2013
Time:	11.00 am to 13.30 pm
Location	100 Parliament Street, Room 2/39, London SW1A 2BQ
Reference	Agent Engagement Group (AEG)

Agent representatives attendees:	Brian Palmer (BP)	Jean Jesty (JJ)
	Tina Riches (TR)	Charlotte Barbour (CB)
	Jason Piper (JP)	Philippa Stedman (PS)
HMRC attendees:	**Jenny Cowles (JC) Chair**	Martin Sellar (MSe)
	Geoff Allen (GA)	Mark Bravery (MB)
	Martin Stevens (MS)	Denise Walsh (DW)
	Liz Longden (LL) **(via tc)**	Connie Kirk (Minutes)

1. Introductions and apologies and action points:

Following introductions, JC welcomed the members and advised that apologies were received from Theresa. Members were also introduced to Denise Walsh and Connie Kirk who recently joined the team.

The minutes will be circulated within the next few days for comments from the members and if no response is received within five working days, it will be accepted that the minutes have been agreed in order for them to be published in good time.

AP7: BP asked about Demand Management. The agenda item on telephony is part of this work but we won't to lose sight of the whole piece.

New AP1: Secretariat will ensure that a representative from Demand Management attends next AEG.

AP9 and AP10: members did not feel that this was closed. JC suggested this is refreshed during this meeting as the topics are already on the agenda.

Update on Universal Credit

Universal Credit, a single monthly payment that will eventually replace Working Tax Credit and Child Tax Credit, started on 29 April 2013 with a small-scale trial.

The Department for Work and Pensions (DWP) is introducing Universal Credit in the Greater Manchester and Cheshire area in a trial known as a Pathfinder. Each of the four Jobcentres, chosen to be part of the Pathfinder, are trialling a range of Universal Credit activities. Ashton-under-Lyne will be the first Jobcentre to accept claims for Universal Credit. Wigan, Warrington, and Oldham will trial the Claimant Commitment and will take claims for Universal Credit from July 2013.

The trial will focus on a limited number of cases involving straightforward single unemployed claimants. The only HM Revenue & Customs (HMRC) tax credit customers affected are those who live in the Ashton-under-Lyne postcode area and who start living with a partner who gets Universal Credit or customers who lose entitlement to tax credits and make a claim to Universal Credit. These changes of circumstance mean that they should make a claim for Universal Credit instead of claiming tax credits.

This trial will enable HMRC to start to test our processes for closing tax credits awards and the impacts on customers. This includes working with partner organisations to ensure succinct and targeted messages are communicated to various customer groups to help them with their transition to Universal Credit. HMRC has set up a stakeholder consultation group (a sub set of the main Benefits and Credits Consultation Group) to assist with this work. For further information, please contact Liz Longden at liz.longden@hmrc.gsi.gov.uk
BP was pleased that the agents will be engaged with looking at the new design.

2. Behavioural change

MB talked through an example of two different Self Assessment customers with different experience and knowledge of their obligations to HMRC and each one needing different guidance in order to understand what is required. Although the processes are the same for the two customers, the customers are very different in terms of their:

- ability
- confidence
- attitude towards paying tax

At present the same communications are sent to all customers and some customers do not understand. This is now being changed under the Customer Centric Business Strategy where the customers will be segmented and the Behavioural Change & Customer Segmentation Programme will look to build new capability and vary communications so that they are tailored for the different segments. Outside Businesses are already adopting this approach which has proved to be effective.

The Behaviour Change & Customer Segmentation Programme will provide the capability to tailor our products, services and the way we work to the needs, abilities and motivations of our customers.

This will be carried out by:

- segmenting the customers, for example willing and able, those who occasionally need support
- this data will feed into a Customer Relationship Management (CRM) tool where business rules will define the interaction required for segmented customers
- HMRC will use this stored information on customer needs, abilities and motivation to contact different customers in different ways with different messages

HMRC cannot be certain initially that all the customers are in the correct segment but are looking to build a picture of each customer over time.

HMRC hopes to go live with this next year and will use a phased approach by starting with customers in PAYE and Self Assessment and later move to businesses. The database will also include agent information, allowing HMRC to send segment-driven communications to a customer's agent. Members were interested to know how customers will be moved to different segments ie students with low awareness will be included but as they become older and have a better understanding, will need to be moved into a different segment. Will it be an automatic move between segments or a manual process? MB advised that this is currently being looked at.

The segmentation will include all tax customers with the potential to also include tax credits claimants. Indirect taxes will also be included at a later date.

Under the Data Protection Act, a customer's predicted segment will be disclosable. The data will allow for various types of segmentation, for example based on age group, geographical location. The database will also include a customer's preferred channel of communication. HMRC are trying to move traffic away from the helplines to online help. Agents were concerned that the customers will no longer have a helpline, MB confirmed that a contact number will be included in a letter if some recipients may have a genuine need for one. HMRC are also looking to provide an email address as another means of contact for the future but the strategy for doing this is still being developed.

3. Agent Strategy - update

JC provided a general update on the Agent Strategy. There has been a change within HMRC to closer working with and delivery through the Government Digital Service to build agents' online self-serve.

HMRC will be starting with a limited self-serve process to be tested with a few agents and gradually refined and expanded. Further information regarding this will be reported at the JTASS meetings.

Other digital self-serves are being developed for customers and will be available to agents through their own new self-serve - PAYE benefits in kind, paperless Self Assessment and the extension of the Business Tax Dashboard. The testing of the new process will commence in the next month or so and HMRC will include some agents in the testing in order to ensure that this will be fit for purpose once it is rolled out. This will also allow agents to better understand the new way of designing digital processes and to help HMRC get the correct messages out about the gradual introduction of the new agent self-service.

The aim is to have agents signed up for the new self-serve process by March 2015.

JTASS will be informed of the developments and the package of communications will also be discussed with them. As we start this work we will be increasingly able to share delivery times but detail is not yet known.

JC wanted to make AEG aware that there will be another consultation document out later this year. HMRC is looking at what more agents want and are able to do in the tax system for their clients following the introduction of a new enrolment and self-service and what assurances HMRC, Government and the public would need around this.

DW and JC will be speaking to the individual professional bodies to get their input to the structure and content of the consultation document. JC confirmed that the consultation document will be for responses over an extended period to allow for summer leave. In depth conversations on future strategy will be held at JTASS and AEG.

4. Intelligent telephony automation

MSe advised AEG that he was the Director of this programme. The programme looks into the reasons why customers contact HMRC and is looking at ways for reducing this contact. MSe is also accountable for the Interactive Voice Response (IVR) for HMRC Contact Centres.

Work is currently being carried out on how voice recognition can be introduced into HMRC Contact Centres. This will enable customers to hear the options relevant to them. This process is extensively used by other organisations with the most use in USA, Australia and New Zealand. The voice recognition process was tested during March and April 2013 which allowed for testing various accents and the results were positive.

MSe also confirmed that if customers' queries were not dealt with through the IVR they would put through to an adviser in the same was as present.

MSe is happy to attend future AEG meetings to provide an update.

AP 2: Secretariat will arrange for MSe to attend AEG and provide an update.

5. Agent & Client Statistics (A&CS)

GA had provided an update from the last AEG A&CS sub-group meeting on 11 March 2013 and the JTASS meeting that was held on 28 March 2013. Assurances given and open conversations in and beyond JTASS has resulted in professional bodies feeling more relaxed about A&CS and ongoing collaborative work through the AEG sub-group should ensure this continues.

In discussing the pilot, GA explained most participating agents had mechanisms in place to remind clients what to pay and when, but in a handful of cases this was not evident. If evidence shows a causal or contributory link to client behaviour this could be part of the picture of what good looks like. Professional body members made it clear that while HMRC may think client payment reminders are good practice they are unhappy with any inference this is a requirement of being diligent or professional. Some agents simply did not have the time, or the economic flexibility, to manage client relationships to that degree.

Headlines from the updates are:

- the Self Assessment filing and payment pilot has finished and is moving into evaluation
- HMRC is continuing to research the agents who were excluded from the pilot because of personal filing, payment or compliance issues
- the Self Assessment and Corporation Tax proof-of-concept data is still being refined
- the idea of a Code of Practice is postponed until after A&CS moves beyond pilot stage or the Joint Tax Agent Strategy Steering Group deems it to be necessary
- new A&CS educational and support packages around High Volume Agent (HVA) risks are being

planned by Agent Support Officers

- there is a distinction between this new HVA work and existing Local Compliance HVA interventions- communications will follow to clarify

6. Unique Agent Reference (UAR) and AEG sub-group update

MS provided an update on the latest position on professional body membership protocols. He needed to provide proposals on validation of professional body membership for discussion at the 20 May 2013 JTASS meeting. MS asked AEG member professional bodies to confirm the number of firms they have and whether or not they had any comments to add to the text in the matrix provided. This information is required before 20 May 2013.

AP 3: AEG members to get back to MS with their comments before 20 May 2013.

AEG professional body members suggested the AML entry scheme membership number could be used and would be easier to check. MS said that he would look at this suggestion and communicate back accordingly.

AEG will be notified of the next meeting as soon as possible.

AP 4: Secretariat to ensure date of next meeting is sent out.

There being no further points to discuss, JC thanked the attendees for their time.

Table of action points from 25 April 2013

Action point number	Action	Action owner	Open/closed
AP 1	Secretariat will ensure that a representative from Demand Management attends the AEG**.**	C Kirk	
AP 2	Secretariat will arrange for MS to attend AEG and provide an update.	C Kirk	
AP 3	AEG members to get back to MS with their comments before 20 May 2013.	AEG	Closed
AP 4	Secretariat to ensure date of next meeting is sent out.	C Kirk	Closed

Next meeting: 23 July 2013 at 100 Parliament Street, London