Scotland update: recent meetings and submissions

General Features

01 December 2019

LITRG made a written submission to the Social Security Committee of the Scottish Parliament in response to its inquiry into the take-up of benefits and how this can be improved. Below is a round-up of recent meetings in Scotland attended by CIOT and LITRG.

Inquiry into the take-up of benefits in Scotland

LITRG recently submitted written evidence to the Social Security Committee in response to the Committee's inquiry examining the take-up of benefits and how this can be improved.

The Committee sought views on the reasons why benefits go unclaimed. Although LITRG does not have empirical data to support its comments, it was able to make observations based on queries to its website and its regular monitoring of benefits-related online forums. In particular, it would appear that there are a variety of reasons why benefits can remain unclaimed, including incapacity, ignorance, fear, confusion and concern about reputation. On this particular area of inquiry, LITRG suggested that the Committee could examine research carried out by HMRC in this area – this could also be used to inform future benefits system design and processes.

The Committee raised questions as to whether design of benefits can affect take-up. The LITRG response noted that take-up of benefits is likely to be higher if they are simple to understand with objective and stable eligibility criteria. The Committee also wished to explore the possibility of automated systems helping to improve take-up.

Although the LITRG response acknowledged that automated systems might assist in this, it also raised a few concerns. Firstly, any error on a previous claim could be replicated. Secondly, some people will remain digitally excluded, and it is not clear how automated systems might assist them in terms of take-up. Finally, the group raised concerns about the reliability of the data.

In response to the Committee's request for other connected areas to consider within the inquiry, LITRG suggested the interaction of benefits with income tax and National Insurance, and also the question of the non-take-up of benefits and linked tax reliefs or passported benefits.

Recent meetings in Scotland

Representatives of CIOT and LITRG met with the Scottish government for further discussions about communications and awareness of tax, stakeholder relationships and engagement, and consultations.

This included attending a Scottish government workshop on Scottish income tax communications, with a view to the development of a strategy. The Scottish government's key concerns are to develop a narrative and to make messages accessible, by ensuring they use the best messenger and the form of the message is suited to the audience. CIOT and LITRG will continue to work with the Scottish government as they take this project forward.

CIOT, along with the Law Society of Scotland, was represented at a meeting with Revenue Scotland to discuss Land and Buildings Transaction Tax. The previous meeting took place in March 2019, and unfortunately there had not been much progress in respect of issues raised at that meeting. This was because much of 2019 had been taken up with the implementation of Revenue Scotland's new online tax return system, SETS2. Nevertheless, the meeting was very productive, with both external stakeholders and Revenue Scotland taking away action points, in particular in relation to guidance.

CIOT continues to be represented at meetings of the Devolved Taxes Legislation Working Group, which was established in March 2019. The group is considering different legislative options through which devolved tax legislation can be delivered going forward. The current timetable is for the group to publish an interim report by the end of February 2020 for consultation. Once responses to the interim report

have been considered, a final report is expected to be published in summer 2020.