HMRC Charter: LITRG and ATT responses to the consultation

General Features

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The CIOT response to HMRC's consultation on the Charter was reported in September's edition of Tax Adviser. This item summarises key points from the responses of LITRG and ATT.

The Low Incomes Tax Reform Group (LITRG) is concerned that this is the fourth iteration of the Charter since it was launched just over 10 years ago and believes HMRC should consider the reasons why the previous versions of the Charter have not been as effective as they had intended. In its response, LITRG considers that this lack of success is more to do with a failure to systematically embed the Charter within HMRC systems, rather than any specific problems in the wording of previous versions. Unless HMRC put the Charter at the heart of what they do, by training staff, embedding it throughout the organisation in day to day work and committing adequate resources to publicising it to the public, a revised Charter will be no more effective than the previous versions and will therefore be of little use to either HMRC or those who interact with HMRC.

The LITRG response strongly disagrees with the description in the draft Charter in relation to collecting tax that HMRC 'do this working in partnership with you'. This means that the unequal balance of power between HMRC and the general public is not recognised within the draft Charter; it is not an equal partnership; indeed partnership is not an appropriate term to describe the relationship. HMRC have greater powers so they should also have more responsibilities. The Charter should explicitly acknowledge this.

In addition to the consultation's questions, LITRG's response includes a section on how the draft Charter could be improved to help unrepresented people interact with HMRC. LITRG would like the Charter to include what support is in place for people trying to resolve issues between HMRC and other government departments, and

also a commitment to improve tax education in order to increase confidence amongst unrepresented low-income and vulnerable individuals when sorting out their tax and tax-related benefits.

The ATT response makes substantially similar comments.

It recognises the challenge of encapsulating in a short document the standards and values which should determine the relationship between a large government department and almost the entire population of the UK. It suggests that the solution lies not in a change to the Charter wording but in a commitment on the part of HMRC to consider its implications (at both corporate and individual levels) for the wide variety of interactions which arise between the department (whether through its human staff or technological process), its customers and its stakeholders.

The ATT response also recommends a requirement within HMRC for all new policy proposals and systems to be confirmed as Charter-compliant, for regular and challenging training on Charter implications for all departmental personnel, and for the inclusion within the Charter itself of a commitment to higher expectations of performance. In addition to these suggestions as to how the Charter should be used within the department, the ATT response suggests that HMRC should use the Charter to support Spending Review bids in order to ensure that the department has the resources needed to meet the aspirations which Parliament requires HMRC to express in the Charter.

The ATT response includes a copy of the draft Charter with tracked suggestions about the wording. The LITRG response is available here: https://litrg.org.uk/ref384. The ATT response is available here: www.att.org.uk/ref356.