CIOT meeting with Jim Harra

General Features



20 February 2023

CIOT representatives met with Jim Harra, HMRC's Chief Executive, on 18 January. An agreed summary of the meeting is set out below.

1. HMRC service levels

This is an overriding concern to members, though mostly this relates to the 'taxpayer/customer' rather than specifically to agent services. We mentioned the agent line restriction. Jim would obviously be well aware of issues and concerns. We provided examples we had received from members, which it was agreed would be useful to share so HMRC could confirm that their understanding of the picture was similar.

Jim characterised HMRC's position as stretched but not drowning: he advised that they try to prioritise repayments where possible. He spoke of managing the demand on services through existing channels and gave examples, such as webchat, to be encouraged; for example, the digital assistant answers 50% of self-assessment queries. We had some discussion of what diversion of demand was and was not

appropriate, and the plight of the citizen if not appropriate.

We discussed the new ‘intelligent SMS’ plan. Jim said that in only 20% of cases customers had tried to find answers online before calling but they would evaluate, for example, whether customers sent a link by SMS had to return to the helpline. We said evaluation would be key. In the course of discussion, we stressed the importance of consulting, of informing us early if consultation is not possible, and reaching out to us to help where appropriate. The President suggested a postal tracking system where advisers and taxpayers could receive notification that their item had been received, with an expectation of a response time.

1A. The Financial Secretary to the Treasury

In course of transitioning from this topic to the next, Jim described the Financial Secretary to the Treasury’s (FST) priorities, which include simplification, guidance and evaluating the impact of the tax system not just financially but also in terms of people’s experience. We need to find things which will reduce demand on HMRC, as well as improve end user experience. The FST, Victoria Atkins MP, is keen on hearing stakeholder voices and we talked briefly about approaching this from a consumer impact angle.

2. Tax simplification: how will HMRC embed it?

Jim confirmed that this is high on the FST’s agenda and that she would be keen to hear about simplification for individuals and small businesses. There was mention of simplification of HMRC forms and guidance. We mentioned the work of LITRG and we made brief reference of looking at other countries and, in the context of the VAT threshold (should it be lower), the productivity issues and large failure rate in smaller businesses.

3. Making Tax Digital post 19 December announcement

It had been quite a challenging period before 19 December because of the turnover of Ministers. Ministerial approval has been needed, given that the ‘savings’ from greater accuracy that Making Tax Digital (MTD) was anticipated to bring had been ‘scored’ in the government’s fiscal projections. The relaxations therefore had a fiscal impact.

Stakeholder engagement was important to them on how to make best use of the extra time. We offered help with testing, which we said was the type of area that had been more of a concern as things had progressed. HMRC were pleased that MTD for VAT had gone off with no major problems. We did not dispute that the 'light touch' on introduction had compensated for the lack of extensive testing but counselled that the population was possibly 'easier' than at least the smaller in scope people covered by self-assessment, even after the 19 December concessions. We will echo the preference for a staged approach when the President meets the FST and the need for appropriate testing periods, as well as avoiding adding further requirements which add more complexity.

4. Future regular meetings

We agreed to arrange future meetings, where appropriate with other senior HMRC officials, and not to duplicate topics which are covered in more detail at the various HMRC forums in which we participate.

5. AOB

We asked whether there would be any communication about the self-assessment deadline and approach to late penalties, as per last year.

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