Labour government: presidents make the case to new minister

Briefings



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Service levels and regulation of the profession are identified as key issues for the new administration.

The CIOT and ATT presidents have each written to the new tax minister James Murray MP, the Exchequer Secretary, offering their congratulations on his appointment and identifying a number of issues which they believe should be a priority for the new Labour government.

These points were followed up at a roundtable held by the minister just two weeks after his appointment, at which he invited key stakeholders, including CIOT, ATT and LITRG, to set out their views on the tax system, which reforms to the system they would prioritise and their thoughts on how the tax system can support economic growth.

In her letter, new ATT President Senga Prior highlighted that ATT members continue to experience significant problems with HMRC's performance. 'We regularly receive reports of agents waiting at least 40 minutes for phones to be answered, poor quality or meaningless advice on webchat and long delays in getting answers to post,' she wrote. 'We are keen to work with you to support HMRC's management of its workload. Our members would be keen to do more online with HMRC, but there are significant gaps in HMRC's digital services. Even where services do exist, agents do not always have access to the full range of digital services available to taxpayers.'

CIOT President Charlotte Barbour also identified HMRC service levels as a priority, and as one of a number of pressing issues around the administration of tax which 'are hindering the ability to do business and to contribute to growth and increased productivity for the UK'. She said there was a need to resource HMRC to provide the service that taxpayers need, 'so it is as straightforward as possible for all taxpayers who wish to be compliant'. Meaningful simplification, digitalisation focused on the needs of taxpayers and an approach to R&D tax credit compliance which accurately distinguishes between valid and invalid claims were also cited.

Charlotte told the minister that CIOT is 'embarking on an ambitious project with ICAEW with the aim of producing data-driven recommendations for investing in a pro-growth HMRC'. CIOT has promised to keep the government informed on this.

Both presidents also raised regulation of the tax profession in their letters, noting that a HMRC consultation on raising standards in the tax advice market closed in late May, while an outcome has yet to be published for a Treasury consultation on reforming anti-money laundering supervision, which closed in autumn 2023. Both ATT and CIOT encouraged the minister to consider the two consultations together to ensure a coherent outcome.

The CIOT letter also drew attention to improvements the Institute would like to see to the tax policy-making process. Charlotte welcomed the new government's commitment to a single principal annual fiscal event and to producing a corporate taxes roadmap – both in line with recommendations in the 2017 'Better Budgets' report by CIOT, the IFS and the Institute for Government – but encouraged the minister to go further, including with greater transparency and accountability over policy costings.

CIOT’s letter followed up a pre-election letter to the tax spokespeople for the main political parties identifying a number of priority areas for the next government. Responses to these letters can be read at tax.org.uk/election-2024-challenge.

Read the ATT letter at: tinyurl.com/ATT-XST and the CIOT letter at: tinyurl.com/CIOT-XST24