

# ADMINISTRATIVE BURDENS ADVISORY BOARD

## **Minutes of Advisory Board Meeting 15 October 2015**

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**13.00 – 17.00**

**2/65, 1 Horse Guards Road, London, SW1A 2HQ**

**Advisory Board attendees:** Teresa Graham, Roger Southam, Karen Thomson, Allison Harper, Alastair Keir, Malcolm Bacchus, John Whiting, Graham Rogers, Mitesh Soma, Paul Aplin (Dialled in)

**Apologies:** Matt Thomas, Rebecca Benneyworth,

**HMRC & HMT attendees:**

Theresa Middleton, Mike Crabtree, Caroline Smith, Matthew Henty (HMT) and Neil Philpott (Secretariat)

**Apologies:** Jim Harra

**Guests:** Tony Kelly (BC&S); Lord Curry, Graham Turnock and Sue Bide (BRE); Liz Roebuck, Michelle Pester and Kevin Williamson (DWP); Jane Andrews, Oliver McGuire and Colin Ford (BC&S)

Observing: Stephanie Allistone (Central Policy)

## **Welcome/Update**

Teresa Graham (TG) welcomed everyone to the meeting in particular new members and representatives from the Better Regulation Executive (BRE) and DWP whilst also noting apologies from Rebecca Benneyworth, Matt Thomas and Jim Harra.

### **Review of action points/issues log**

1. TG reviewed the open action items and agreed to close AP065, AP066, AP067, AP068, AP069, AP070, AP071 and AP073. AP061 remains open with Karen Thomson (KT) explaining that CIPP have been having resource difficulties to finalise contact survey.

### **Introduction to the Better Regulation Executive (BRE)**

2. Lord Curry (LC) introduced and explained how the BRE was formed in 2010 under the coalition government to bring greater management of regulation. This led to One-in-One-Out and then subsequently One-in-Two-Out on any new regulation imposed. This programme resulted in over £2billion of regulatory burdens savings on businesses. LC then highlighted that the new government has set a more stretching ambition over the next 5 years for Whitehall departments to reduce regulation by a further £10billion.
3. Graham Turnock (GT) explained the role of the Regulatory Policy Committee (RPC). They provide independent assessment of the costs on new regulation on business, scrutinise department's impact assessments to ensure that they are fit for purpose and produce annual report. The RPC also published its opinion on each assessment as red, amber or green.
4. TG asked whether each department had external Board, equivalent to ABAB, to challenge performance. GT described the Better Regulation Units (BRU) within each department who each liaise with external businesses as required. The RPC maintain close links with each BRU to understand and explore the regulations impacting on businesses.
5. It was noted that as tax is not regulation, it is not included in RPC's scope. The SBEE act 2015 confirmed that tax (and EU regulations) would be out of scope. The exclusion of tax has been raised previously by businesses and GT welcomed the closer links between BRE and HMRC and ABAB, to ensure greater alignment and a decrease in business burdens across government.

### **Universal Credit**

6. Michelle Pester (MP) explained how the current phased roll out of Universal Credit has reached 50 job centres across the UK and how the future roll out plans include that the remaining job centres are due for completion by April 2016 and digital centres by May 16. MP indicated that a new team had been created that will be dedicated to the evaluation of emerging findings from both qual/quant research. MP went on to state that they see stakeholder engagement, particularly, due to large volumes, with the self-employed claimants as very important and that the stakeholder team will be looking to engage with the right stakeholders at the right time. MP anticipated that engagement would restart in May 2016.
7. A question was raised around fluctuation of earnings and how peaks and troughs will be handled. MP responded that consultation on this was sought and new legislation has been passed that will smooth out these occurrences. Roger Southam (RS) who was a member of the DWP stakeholder group challenged DWP attendees on why this group wasn't utilised to full potential and why were they not engaged in the consultation.

8. Challenges from both ABAB members and BRE attendees were then made around whether a robust assessment of business costs had been not accounted for or considered. There were differing views on whether this should have been included in the impact assessments seen by RPC. RS in particular expressed his disappointment that DWP had not drawn on the potential impacts presented to DWP by the stakeholder group. TG urged for the need to speed up the engagement process and challenged DWP and BRE as to whether an Impact assessment for businesses should now be undertaken. BRE agreed to consider this further.

**AP – DWP to share self-employed earnings legislation report**

**AP – DWP to identify and share impact assessment of Implementation of UC**

**AP – DWP to share details around payment timescales**

### **Update from ABAB working groups**

9. Making Tax Easier for Small Businesses (MTEfsb) – JW provided an update on the latest engagement with this programme of work and how HMRC presented some good progress. There are still questions as to whether this will actually make tax easier for small businesses or whether its aim is to make it easier for HMRC. MB also commented that digitising in itself won't help achieve the ambitions as it's not the inputting of the numbers that is complicated it's the working out of the numbers in the first place, so simplification of legislation/policy is also required.
10. Tell ABAB – Allison Harper (AH) provided an update on the work to categorise and prioritise over two thousand responses direct from businesses. The feedback ranged from raising awareness of existing support products to ideas on how to improve processes. AH highlighted the next steps to take those prioritised categories and identify within HMRC what is currently happening and/or future plans with these areas.
11. RTI – On or Before - KT provided a brief overview of the engagement with HMRC around the removal of the On or Before easement ranging from reviewing existing HMRC data on use of easement, providing expertise to drafting of communications and also developing best practise examples that HMRC can use as flowcharts to support small businesses transition. There was an acceptance, whilst disappointing, that the easement is likely to end. It was suggested the true impact won't be understood until Universal Credit issues start to arise and/or through compliance intervention.

### **Reflection from Better Regulation Executive (BRE)**

12. GT gave his reflections on ABAB and the Board meeting. In particular he made specific comment and endorsement on the extensive level of business experience across the ABAB membership. GT also noted the rigorous challenge demonstrated by the Board and the positive work on project implementation reviews.
13. GT was impressed with the Tell ABAB facility and volumes received and suggested that the BRE could learn from the approach taken with this. GT suggested further sharing of best practice between BRE and HMRC, for example comparing TIINs to Impact Assessments.

### **Digital for Business and Agents**

14. Jane Andrews (JA) provided an overview of the digital vision and how the tools that are being developed are the building blocks to the ultimate vision of Making Tax Easier. JA explained

the acknowledged that some business need support in moving to digital but explained that there is appetite within business to engage in this way.

15. Oliver McGuire (OM) highlighted the current statistics in terms of volume of users and their satisfaction scores and then provided the Board with a demonstration of Your Tax Account (soon to be known as Business Tax Account) which is one of the key building blocks JA had mentioned. OM demonstrated key elements of the account and how it is designed around user needs and to a government standard providing the user with a consistent approach and feel when dealing with government services. OM explained how user feedback and the analytics that sit behind the account help the team to redesign and make improvements to the account. The longer term ambition is to also be able to widen the scope across government so that businesses have one single government account where they can access all services relevant to their needs.
16. Some of the elements OM demonstrated addressed some of the concerns and feedback received via TELL ABAB which pleased the ABAB members. Mitesh Soma (MS) asked about the current digital transformation journey and how far along the journey this was. OM explained that the journey has only just started and will continue to develop and evolve over time utilising and based on user needs.

**AP – Mitesh Soma to engage and explore YTA in more detail to understand delivery.**

17. Colin Ford (CF) provided an update on the support tools available to businesses and explained how, since last being shared with ABAB, they are reaching over £1million businesses. CF also provided an overview of the future plans to provide further support tools such as web chat and virtual assistance that will enhance HMRC's offering further. This again chimed with some of the requests received via TELL ABAB, so more positive news to report back on.

**AP – Add Agent Online Self-Serve (AOSS) to February agenda**

### **OTS Reviews**

18. JW gave a brief overview of the two OTS reviews, 1) Income Tax and NICs alignment ie bring them closer together; 2) Small Business taxation. With the Small Business taxation review JW explained how OTS will try to reach out to local level businesses, via discussions and a survey, to understand their concerns and difficulties they have with tax. JW asked for members to support this by identify avenues in order to promote the work.
19. AH said some of the Tell ABAB feedback would be beneficial to OTS and also highlighted Business Centres with Universities as a mechanism to reach out and engage with small businesses. TM suggested utilising HMRC's webinar service as a way to engage with many small businesses at the same time.

**AP – JW to issue questionnaire and narrative for members to promote via their connections.**

**AP – Share Tell ABAB responses with OTS**

**AP – OTS to explore opportunity to engage via HMRC webinar service**

### **Forward Look**

20. Members reviewed the forward look document and reiterated the items they would like to be added to the agenda. They also reviewed a list of future research being delivered by HMRC

and members were asked to email Neil Philpott if they would like to explore and engage with specific projects.

**AP – Members to review research list and liaise with Neil Philpott to register interest in involvement.**

### **AOB**

21. RS raised a concern around poor communications and that he thought HMRC had learned from the principals applied to the VAT communications project but several instances have demonstrated that this is not the case.

**AP – Members were asked to forward examples so that secretariat can challenge internal colleagues with specific examples.**

### **Next meeting**

The next meeting will be held on Thursday 5<sup>th</sup> February, from 13:00 – 17:00 in 2/66, 100 Parliament Street.