



# HM Revenue & Customs

## **Equality Act 2010: HMRC's compliance with the specific duty in section 149 for customers**

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# **Equality Act 2010: HMRC's compliance with the specific duty in section 149 for customers**

## **1. About HMRC**

1.1.1. Her Majesty's Revenue & Customs (HMRC) was established by Act of Parliament in 2005 following the merger of Inland Revenue and Customs and Excise to form a new department.

1.1.2. It is a non-ministerial department with responsibility for administration of the tax system vested by statute in HM Commissioners (the Chief Executive, Permanent Secretary for Tax and four Directors General).

1.1.3. HMRC:

- is the UK tax authority
- is responsible for safeguarding the flow of money to the Exchequer through collection, compliance and enforcement activities
- makes sure that money is available to fund the UK's public services
- administers Statutory Payments such as statutory sick pay and statutory maternity pay
- helps families and individuals with targeted financial support through payment of tax credits
- administers Child Benefit
- administers the Government Banking service
- enforces recovery of student loans
- enforces minimum wage

1.1.4. In 2010-11 HMRC collected £445 billion for HM Treasury. Projections for 2011-12 are that collections will be £476 billion.

1.1.5. HMRC's customers include most individuals in the UK and a large number of non-UK nationals subject to UK taxation. It also counts nearly all legal entities as customers, including limited companies, partnerships, charities and trusts.

1.1.6. HMRC's customer service is particularly diverse and complex. Its activities range from support for disadvantaged people to claim tax credits and benefits and pay the right amount of tax, to advice and clearance regimes for complex financial transactions. HMRC also has an important role in ensuring compliance with the tax system and the benefits it administers. It therefore has significant resource devoted to compliance activity and debt collection.

1.1.7. The main taxes in terms of both customer impact and yield that HMRC are responsible for are Income Tax and National Insurance contributions (collected primarily through PAYE), and VAT.

1.1.8. HMRC is also responsible for the administration of tax credits and Child Benefit.

## **1.2. The way in which HMRC conducts its customer service**

1.2.1. Administration of the tax and tax credits systems requires HMRC to collect taxes and make repayments of tax and payments of benefits to customers. In order to perform this function HMRC needs to collect information on tax liabilities and benefit entitlements from customers. It therefore imposes obligations on customers to transmit information to HMRC and make payments. Transmission channels are traditionally paper and telephone based but like other government bodies HMRC is increasingly adding online channels. HMRC uses its information to ensure the right amount of tax is collected or benefit is paid.

1.2.2. Customer service channels are also provided to support both tax and benefits obligations. The most important channel is telephone and HMRC runs a network of contact centres in the UK which handle around 60 million calls a year. HMRC also has a network of enquiry centres which offer a by appointment face-to-face service. It also continues to handle large volumes of post on paper. HMRC offers customers a range of structured and secure electronic contact services for customers through its website but email contact is otherwise limited for security reasons.

1.2.3. For individuals the primary route for payment of tax and National Insurance is through the PAYE system. The self employed make self-assessed returns of income and gains. Businesses are also liable to self-assessed Corporation Tax and to account for VAT and PAYE withheld.

1.2.4. A key part of HMRC tax operations provides compliance activity to combat avoidance and evasion and reduce the 'tax gap'. HMRC therefore conducts compliance for all customer channels. This ranges from correcting simple errors and enforcing return filing, through risk based audits of tax returns to tackling sophisticated and complex tax avoidance schemes and stopping tax criminals. It also has substantial debt collection operations.

1.2.5. HMRC's benefits business ensures that tax credits and Child Benefit customers are paid what is due. It is complimented by risk based compliance interventions targeted to tackle benefit fraud and incorrect claims.

1.2.6. HMRC also works in partnership with other agencies to deliver aspects of its service:

- UK Border Agency have a front line role in administering customs duties at the borders.
- Crown Prosecution Service is the prosecuting authority for criminal prosecutions.

- Department of Work and Pensions and HMRC jointly run the National Insurance number system.
- The Valuation Office Agency is an independent agency of HMRC and provides valuation services primarily for council tax and rating purposes (which are administered by local authorities).
- HMRC supports policy making in HM Treasury through a policy partnership. HM Treasury lead on strategic policy and policy development. HMRC leads on policy maintenance and implementation. This is known as the 'policy partnership'. HMRC is responsible for impact assessments and detailed explanations of Budget measures.

### **1.3. HMRC's strategy for customers that need help**

1.3.1. This strategy is intended to help support a wide range of people who need help with HMRC products and/or processes. Key elements of this strategy include:

#### **Unpaid agents strategy**

1.3.2. HMRC is working with larger voluntary sector organisations to make it quicker, cheaper and easier for voluntary sector and other unpaid agents, such as friends or family members, to represent customers that cannot, or prefer to not, deal with HMRC themselves.

#### **Grant funding**

1.3.3. HMRC has a grant funding programme which will provide £2 million per year targeted at supporting voluntary sector organisations to assist customers with their tax and benefit obligations. Funded projects with particular relevance to equality include funding for Gingerbread, Royal National Institute for the Blind, Tax Help for Older People and Low Incomes Tax Reform Group. More details are given below in section 3. Full details of the grant funding programme are on the HMRC website at [HMRC Grant Funding Programme - 2011/12 to 2014/15 \(PDF 46K\)](#).

#### **Help and advice**

1.3.4. HMRC provides extensive help and advice for customers through its contact centres, Enquiry Centres and through its website. Funding has also been targeted through grant funding improving voluntary sector assistance to customers, in particular funding for TaxAid and Citizen Advice, Impact 21 and Advice NI.

1.3.5. Equality and diversity awareness is promoted to staff through a long standing strategy. Equality and diversity training is mandatory for all staff.

1.3.6. All customers can appoint someone to deal with HMRC on their behalf. They may do this because of illness, disability, or because they do not speak English, although this facility is available to all customers. For more straightforward queries customers can call us and provide verbal consent for their representative to complete the call on their behalf. For more protracted issues, or where the customer cannot call us when accompanied by their

representative, customers can notify us in writing that they authorise someone to act on their behalf.

## **1.4. Process to ensure due regard under Section 149**

### **Customer equality team**

1.4.1. HMRC has a dedicated customer equality team as part of its Central Customer and Strategy directorate giving it direct access to HMRC leadership and the scope to act across HMRC. The team works with a wide range of external stakeholders, listens to concerns and acts within the department to ensure that HMRC complies with equality law, provides the best possible service for people in protected equality groups and to drive forward improvements in customer experience.

1.4.2. The customer equality team builds its understanding of equality issues that affect HMRC customers from a number of sources. It has strong links with the customer complaints policy team to ensure that all complaints where discrimination is claimed are analysed. It also has links with appeals and internal review policy and seeks to identify and advise on discrimination issues in relation to appeals.

### **Community involvement**

1.4.3. There are opportunities for staff to become involved in communities through HMRC volunteering policy.

### **Research**

1.4.4. During 2010-11 a [research report](#) was commissioned from Ipsos MORI to collect feedback from stakeholder representatives about race, gender and disability.

### **Due regard**

1.4.5. Decision makers across HMRC are required to have due regard, and HMRC provides detailed guidance and support to ensure that due regard is satisfied for both policy and operational decisions. Decision makers can also get advice from the customer equality team which also provides a quality control function for equality analysis and decisions.

1.4.6. Where appropriate HMRC produces Equality Impact Assessments for external consultation. All full Equality Impact Assessments are published on the HMRC website.

### **Departmental diversity champions**

1.4.7. HMRC has Director General level (Board level) diversity champions for equality groups. Each champion works to promote staff equality but also has a role in promoting customer equality, in particular outside the department.

### **Budget process**

1.4.8. In partnership with HM Treasury, HMRC has a key role in advising Ministers on measures which form part of the annual budget cycle. HMRC helps to ensure that equality considerations are taken into account as part of the policy decision making process, and consideration is given to impacts.

1.4.9. All Budget tax measures are published with a short summary of equality impacts which is shown in the Tax Impact Information Notices published at the time of the Budget and Autumn Statement. Each measure is monitored by the customer equality team and advice on identifying and mitigating impacts is provided.

1.4.10. The customer equality team give face-to-face training to those working on budget policy every year as part of the budget cycle.

#### **Change programme**

1.4.11. HMRC has a large change programme aimed at modernising its services. All change programmes and projects consider equality at key points in the change management process. Change projects are required to identify customer impacts and work with external stakeholders to understand them and put in place mitigations where they can. All change projects have equality on their risk registers and use this as a way of ensuring that appropriate and proportionate attention is given to due regard. The customer equality team gives advice on identifying and mitigating impacts.

## **2. Procurement**

2.1.1. HMRC is committed to embedding responsible practices through its procurement of buildings, goods, works and services. A non-discrimination clause is built into all contracts with suppliers. HMRC has also produced a suppliers charter (in partnership with the Home Office) as part of its [sustainable procurement strategy](#) which sets out a range of objectives, including equality. Under the charter suppliers are encouraged to:

- Ensure they have effective equality and diversity policies in place.
- Ensure all staff have awareness training in equality and diversity.
- Ensure they have a clear governance structure for equality and diversity.
- Complete self assessments and commit to completion of an improvement plan according to the self assessment results.
- Communicate this agenda and their requirements throughout their supply chain.
- Ensure that they extend the principles and policies of the Home Office and HMRC on equality when undertaking activity on their behalf.

### **3. Specific customer activity by protected characteristic:**

#### **3.1. Age**

3.1.1. HMRC Director General Phil Pavitt is departmental champion of age equality.

3.1.2. HMRC customers cover all age groups. HMRC administers age related tax policy, for example increased personal tax allowances for those over 65 years old.

3.1.3. HMRC has grant funded Tax Help for Older People to provide advice and support for older people through their nationwide network of voluntary advisors and train more advisors and to train and develop the capacity of other VCS organisations to help older people.

3.1.4. HMRC's additional support for older people includes guidance on what to do when you retire. It can be found at [Approaching retirement or State Pension age](#).

3.1.5. HMRC also publishes information booklet [IR121](#) which gives advice on the tax impacts of becoming a pensioner.

3.1.6. HMRC offers educational [products](#) for school students intended to support classroom activities aimed at explaining tax to young people. This is backed up through the staff volunteering policy which encourages staff to give Tax Matters talks in classrooms.

#### **3.2. Disability**

##### **General**

3.2.1. HMRC Director General Mike Norgrove is departmental disability champion.

3.2.2. There are over 10 million disabled people in the UK and most of these are HMRC customers. HMRC is committed to providing the best possible customer service for disabled customers and not just the legal minimum.

3.2.3. HMRC has developed a 'disability roadmap'. This sets out six key objectives for delivery by 2014 which are:

- improve the awareness and education of all staff in respect of the needs of disabled customers
- provide consistent information about specialised services to both staff and customers
- provide specialised services to support the requirements of disabled customers

- have the ability to record customers' preferences so that they only have to tell us once
- have the ability to provide flexible solutions for customers or their intermediaries to help them comply
- incorporate procedures to ensure that policy, product and service decisions take account of the accessibility agenda

3.2.4. The road map was developed following full consultation with external stakeholders.

3.2.5. Each business area in HMRC has a disability action plan and roadmap co-ordinator to ensure delivery of objectives, in particular staff awareness of disabled customer needs. Coordinators meet regularly with the customer equality team for feedback.

3.2.6. A computer based learning product called 'Just Ask' has been created for HMRC staff to enhance awareness of disabled customer needs and due regard. Just Ask training is underway in all customer facing areas of HMRC in 2011-12. A Just Ask DVD is also provided for follow up events. Just Ask take up is monitored by the customer equality team and action taken to maximise coverage.

3.2.7. HMRC has a Disabled Customer Consultation Group (DCCG). This meets twice a year. It has representatives of a wide range of disability groups. The DCCG is consulted on customer service issues and helps identify stakeholder requirements which can be fed into product improvement. HMRC also runs a 'virtual DCCG' which offers shared workspace for publication of documents and other related material.

3.2.8. HMRC has funded the Low Incomes Tax Reform Group through its grant funding programme to develop a website to help disabled people in receipt of direct payments fulfil their PAYE obligations as an employer. They will also provide a helpline.

### **Website accessibility**

3.2.9. Information about accessibility can be found by clicking the accessibility link which is prominently located in the header of the HMRC homepage. HMRC aims to provide a website that meets the needs of disabled users and offers accessible and inclusive website information and services, and meets World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 1.0 AA standard. In addition HMRC aims to deliver website content and services which will improve the customer experience beyond required legal commitments and Government guidelines. HMRC also takes steps to ensure that contractors provide accessible products and services on HMRC's behalf.

3.2.10. HMRC is active in the Employers Forum on Disability, and is represented on the Presidents group. HMRC Director General Steve Lamey co-chairs the Business Task force on Accessible Technology.

3.2.11. HMRC is highly rated by 'Sitemorse' and is currently the third highest placed central Government organisation (out of 347), and the top ranked Civil Service department.

### **Eyesight disability**

3.2.12. HMRC has a Visually Impaired Media unit which provides enhanced product for customers with accessibility needs. Output from all main individual customer systems is routed through the media unit to ensure those with eyesight problems can receive information from HMRC in a format that they can read. Products can be provided in large print, by email, on audio CD, or by Braille. HMRC ensures through accessibility indicators on the main computer systems that outputs are routed through this unit. Other outputs are converted by the unit as requested.

3.2.13. HMRC is also modernising its internet products to enhance visual accessibility. In particular old style pdf products are being phased out and a new type of accessible pdf is being introduced.

### **Hearing**

3.2.14. HMRC offers text phones in all its call centres. It also handles text relay calls. BSL interpreters can be provided by appointment for face to face meetings.

### **Mental health**

3.2.15. HMRC has set up a sub-group of the DCCG to deal with mental health issues. As a result, guidance on mental health has been produced for debt managers and a support team established to offer advice in relation to debt collection.

### **Wheel chairs**

3.2.16. All enquiry centres are accessible or have arrangements in place to accommodate wheel chair users (for example, where co-located).

### **Support in the tax system**

3.2.17. HMRC administers certain tax reliefs and benefits specifically aimed at helping disabled people. A list is as follows:

- Blind Persons relief (Income Tax)
- zero rate VAT for purchase of specially adapted motor vehicles for wheel chair users
- zero rate VAT for Motability payments (conditional on qualifying for the higher rate Disability Living Allowance)
- enhanced capital allowances rules for provision of cars for disabled people (including used in the Motability scheme)
- exemption from Vehicle Excise Duty
- zero rate VAT on car hire

- lower rate VAT (5 per cent) for disabled people on grant funded installation of heating equipment and security goods and the grant funded connection to a gas supply.
- VAT relief for wheelchairs, hoists and lifters etc, for goods solely designed for use by a disabled person (that is, made specially to address a particular need) or for construction projects, for example, bathroom redesign, to accommodate a disability
- zero rate VAT on certain goods and services provided for disabled people
- exemption from Income Tax for assistance by an employer with home to work travel for disabled people and of tax on the provision of a car for home to work travel provided by an employer
- exemption from Income Tax where an employer provides special equipment to allow a disabled person to perform their duties at home (for example, a wheel chair or hearing aid) even where there is significant private use
- exemption from Income Tax and class 1 National Insurance contributions for help with home to work travel for severely disabled people
- exemption from Insurance Premium Tax for insurance policies to cover motor vehicles within the Motability scheme
- special rules for trusts for the disabled which offer tax advantages compared to ordinary trusts

### **Statutory payments**

3.2.18. HMRC administers the disability element of Working and Child Tax Credits which are available to provide additional help to disabled people and carers.

### **3.3. *Sexual orientation and gender reassignment***

3.3.1. HMRC Director General Mike Eland is departmental champion of lesbian, gay, bisexual and transgender people.

3.3.2. HMRC produces a product aimed at providing general tax and tax credits advice for the LGBT community, called 'Pride 1'. It attends many Pride events across the UK and the Pride 1 leaflet is distributed at these events. It is also available for download from the HMRC website.

3.3.3. In 2011 HMRC reached 8<sup>th</sup> position in the Stonewall index of top employers for lesbian, gay and bisexual staff.

3.3.4. HMRC was also named most transgender friendly government department in the a:gender's Trans Equality Index (TEI) in 2010 and 2011.

3.3.5. HMRC holds all customer data under strict security. An extra layer of security is provided for transgender customers, to protect their former

### **3.4. *Pregnancy and maternity***

HMRC supports all new mothers by encouraging them to claim Child Benefit. A claim form is included in the 'bounty pack' provided to new mothers in hospital.

### **3.5. Race**

3.5.1. HMRC Permanent Secretary for Tax David Hartnett is the departmental champion of race equality.

3.5.2. Recognising that language can be a barrier to service for some customers, HMRC is contracted to offer third party translation services for customers through The Big Word. This is available to all contact centres. Face-to-face translation is also available under The Big Word contract.

3.5.3. HMRC also has a 'Friends and Family' translation policy which allows someone else to translate on behalf of a customer not confident enough to converse with call centres in English.

3.5.4. HMRC provides some written material in other languages to support customer service. It also has its own translation team which provides translation services for its compliance activities.

3.5.5. HMRC has grant funded the Low Incomes Tax Reform Group to develop a plain English guide for new low income migrants.

3.5.6. For Welsh language speakers, HMRC provides all products in Welsh through a Welsh translation team. HMRC is fully compliant with the Welsh Language Act.

### **3.6. Religion and belief**

3.6.1. HMRC director general Anthony Inglese is champion of religion or belief. Where religion and belief is relevant to customer service, HMRC takes it into account. For example special arrangements exist to allow those with theological objections to computer based services to engage on paper.

3.6.2. HMRC also administers special Stamp Duty, Capital Gains and Corporation Tax provisions aimed at putting transactions structured along Islamic finance lines equal footing to traditional finance. Guidance is provided for these and VAT implications of Islamic finance on the HMRC website.

3.6.3. HMRC also administers the taxation of charities many of which are faith based.

### **3.7. Gender**

3.7.1. HMRC Director General Steven Banyard is departmental champion of gender equality.

3.7.2. HMRC has grant funded Gingerbread to support disadvantaged lone parent families and to train voluntary sector intermediaries working to help single and vulnerable parents with tax credits and Benefits.

3.7.3. HMRC has also grant funded Child Poverty Action group to provide training in tax credits, Child Tax Credits and Child Benefit to voluntary and community sector intermediaries.

**Tax and benefits measures administered by HMRC designed to reduce gender inequality:**

- Child Tax Credit.
- Child Benefit.
- Child care vouchers are exempt from tax up to £55.
- The cost of workplace nurseries is exempted from benefits in kind legislation.
- There is a higher age limit for childcare relief for disabled children.

## **4. Research**

4.1.1. HMRC conducts research into a wide range of customer interactions and preferences with its business and with tax policy. Many of these publications are equality related, and research feedback into decision making at both policy and operational levels. Full details of all research reports are on the HMRC internet site at [HMRC research report series](#).

4.1.2. Details of research projects underway can be found at [Activities currently funded by HMRC](#).

4.1.3. HMRC also funds external research, details can be found at [Sponsorship of externally generated research proposals](#).