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HMRC's move towards digital communication with agents

ICAEW feedback from Local Working Together (LWT) groups about HMRC's move to digital communication.

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In October 2014 HMRC announced that it proposed to change the way it works with agents to reduce the number of face to face meetings and replace them with digital channels. We welcome the fact HMRC is consulting with agents through a series of face to face workshops around the country and with two digital workshops in March 2015. This should help to provide valuable feedback and the results should be analysed in detail before any decisions are made.

We recognise that for HMRC:

- it is expensive for HMRC to support local face to face meetings for up to 50 Working Together groups;
- Working Together meetings are currently largely limited to representatives from professional bodies; and
- digital messaging communication has the potential to reduce costs and potentially reach more agents.

Nevertheless our ICAEW local Working Together (LWT) representatives were concerned about the proposals and that the changes would jeopardise the valuable exchange of ideas and discussions about HMRC service issues that take place at local Working Together meetings. We undertook a short survey to find out their views. The message from our volunteer agents is that whatever changes might be made, the principles behind Working Together remain extremely important and need to be retained. These are to:

- improve two-way communications between HMRC and tax agents;
- identify and clarify issues which can be escalated to the National Working Together Team (NWTT) in real time;
- help HMRC focus on the best way to help tax agents and their clients; and
- provide an open forum to exchange views on how the tax system works.

ICAEW LWT agents consider that the face to face element of the partnership remains an essential element of these principles, but certain elements of the partnership can be achieved digitally. The advantages of retaining some element of a face to face relationship are:

HMRC and agents working together to resolve service issues. Our members value the opportunity to discuss the service issues reported with HMRC and other agents, understand the constraints on HMRC when seeking resolution and why some of them have been closed. The meetings are a helpful reminder to agents that their concerns are being heard.

The discussion of Agent Update articles ensures that key messages are discussed and properly understood, especially the articles that provide updates and progress being made by HMRC towards resolving issues.

HMRC gains a better insight and understanding of the impact of issues on agents and their clients. Our members do not think that this could be achieved digitally.

Presentations during WT meetings can be a successful way for HMRC to impart useful and often specialist information with the ability to interact with the presenter, ask questions and offer information and views that may challenge HMRC's assumptions. However, they recognise that there needs to be sufficient numbers to make this a worthwhile exercise.

It is recognised that the move to digital communication should reduce costs for HMRC. However, face to face still has a role to play and there is a danger that if it is dropped agents may disengage from the principles of working together and that issues would go unreported, which would not be in the interests of HMRC, taxpayers or agents. However, there is a recognition that the frequency of meetings may need to be reduced and that the future of less active groups should be subject to review and potential rationalisation.

The key benefits of disseminating information through digital means are speed of contact, the ability to reach a wider agent audience and less time out of the office in attending meetings. Agent Update is currently available digitally and HMRC can already disseminate information via the website such as the 'HMRC Working with Agents' blog. Members would also welcome real time access to a central register of open issues, progress reports and updates.

Finally, we believe that before a decision is made about the best methods of undertaking Working Together work going forward that, bearing in mind the general principles noted above, each element needs to be identified and HMRC should consider

- what is required to make that engagement successful,
- for each element identify the respective benefits and downsides of the digital/face to face approach.

The elements we have identified include reporting issues, resolving issues, communicating resolution and presentations.

We would welcome the opportunity to contribute to the review process once the results have been collated. My colleague, Philippa Stedman, would be happy to discuss points you may have on this letter

Yours sincerely

Frank Haskew

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