

Implementation of new HMRC Powers Oversight Forum**30 March 2009****Paper: 4/2009****Purpose:**

To inform the Oversight Forum of the effective implementation of new debt management powers

HMRC's Debt Management and Banking has embarked on a series of legislative changes, spread over several years, to modernise the powers used in support of payment and debt collection. The aims are broadly to:

- extend the choice of payment methods and frequency,
- improve HMRC processes
- tackle payment non-compliance

Three measures (payment by credit card, set-off of repayments against debts and aligning of enforcement processes) were legislated in FA 2008 and have been implemented. The new powers introduced last year did not require any formal training, as they reflected relatively minor enhancements/adjustments to existing activities, and so followed the normal communication process for business changes. This revolves around Business Guidance Notes and/or updating of the Debt Management and Banking (DMB) Manual. This formal guidance is developed with technical and process specialists, who now sit in DMB Operations. They circulate draft guidance to a panel of operational representatives, who review and assure its operational accuracy before publication. This is supplemented with regular updates to operational managers from the Strategy Team leader, ensuring that progress towards delivery of changes and expected operational impacts are understood and communicated. This may be further supplemented by summaries on the home pages of the intranet or internet sites. There is also careful monitoring of any issues once the changes are introduced, so that communications can be re-released or augmented if necessary.

Legislative changes planned for FB2009, with implementation from April 2010 onwards, will be delivered via a formal project. These measures, which are partly driven by DMB modernisation and partly by wider Powers initiatives, will bring significant change and modernisation to DMB's processes - notably Managed Payment Plans, Coding Out of Small Debts and increased compliance by employers. We expect to develop a training schedule along normal project lines to establish training needs and optimum timing/methods of delivery well in advance. This package will be scoped and planned in collaboration with DMB operations, ASPIRE and wider HMRC. We will also be seeking external support to ensure that customers and intermediaries are aware and ready to handle the changes.

DMB will not be making unannounced visits under Sch36 FA2008 powers. We will only be using Sch36 to inspect PAYE records by prior arrangement. The change from Regulation 97 PAYE Regs 2003 to Schedule 36 FA2008 will require separate guidance supported by training for some DMB staff and this is under way. Visits to enforce payment (by distraint or distress) are not subject to Sch36 FA 2008, although debtors will have received prior warning of our intention to call.