

Inland Revenue Public Service Agreement 2003-2006: Technical Notes

PSA Target: 1	Technical Note
<p>Deliver improvements in the number of individuals and businesses who comply with their obligations and receive their entitlements.</p>	<p>Obligations</p> <p>The target covers the performance of individuals, employers and companies under the Income Tax Self Assessment (SA), Pay As You Earn (PAYE), and Corporation Tax Self Assessment¹ regimes.</p> <p>Complying with their obligations' means filing accurate returns and paying tax on time. These will be measured separately.</p> <p>The Service Delivery Agreement (SDA) details the targets for each regime for which year on year improvements are expected.</p> <p>Entitlements</p> <p>This covers valid claims and applications to repayments, and entitlement to Child Tax Credit (CTC) and Working Tax Credit (WTC) and Child Benefit. It also covers the recording of National Insurance which allows customers to receive their entitlements.</p> <p>Key target measures in this area are shown in the SDA.</p> <p>The results will be assessed annually.</p> <p>Baselines</p> <p>2002/3 will be the baseline year and targets will be set for year on year improvements from 2003/2004 onwards. Baseline information, and targets for 2003-04 will be set out in the departmental Spring Report. Progress will be reported annually</p> <p>Validation</p> <p>The results will be validated by the Inland Revenue's Internal Audit Office.</p>

¹ Enhancements to the management information systems for Corporation Tax will provide baseline data from April 2003.

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PSA Target: 2	Technical Note
Deliver reductions in compliance costs of small businesses	Compliance costs are those incurred by small businesses in meeting the requirements and obligations placed upon them by legislation administered by Inland Revenue.
	Small businesses are defined as those with fewer than 50 employees
	<p>The target will be achieved by a range of measures, including reviewing policy and streamlining processes for compliant small businesses.</p> <p>Assessment of progress against this target will be through a range of techniques, including aggregating the impact of individual Regulatory Impact Assessments (RIA's) for policy changes where the anticipated cost or saving is above our de-minimis limit of £3 million, and also for other policy changes below this limit but nonetheless regarded as significant. A similar approach will be developed for significant administrative changes.</p> <p>RIA's will be produced following the latest Cabinet Office Guidance for the definition of costs and benefits (currently "Good Policy Making: A guide to Regulatory Impact Assessment" – Cabinet Office January 2003).</p>
	<p>Baselines and reporting</p> <p>There is no aggregated baseline. The cumulative impact of changes will be assessed over the SR period as a whole.</p> <p>The target will be met if the cumulative impact of compliance costs over the SR period to 2005/06 are below those of 2003/04. In assessing compliance costs, these will include all costs incurred from publication date of the RIA, including the costs of preparing for measures (if any) in advance of their implementation.</p>
	<p>Validation</p> <p>Progress will be subject to validation by Internal Audit.</p> <p>Non legislative changes</p> <p>Currently, only the impacts of legislative changes are assessed via RIAs. During the SR period, we will be developing a broadly equivalent process for significant non legislative and operational policy changes, with the aim of having that process in place by the end of the SR period at the latest. Any such changes would be scored by the reported cumulative costs or savings adding in to the cumulative RIA total.</p>

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PSA Target: 3	Technical Note
<p>Ensure by 2005 that 100% of services are offered electronically, wherever possible through a common Government portal, and promote take-up for key services.</p>	<p>Offered Electronically by 2005/06</p> <p><u>Offered electronically</u> is defined as availability of Inland Revenue services to allow customers to access and carry out their key business activities with us electronically, over the Internet.</p> <p><u>Key business activities are:</u></p> <ul style="list-style-type: none"> • Self Assessment (SA); • Pay As You Earn/National Insurance (PAYE/NI) • Corporation Tax (CT); • Child Tax Credit and Working Tax Credit. <p><u>100%</u> is defined, in the case of SA, PAYE/NI and CT, as offering the facility to electronically undertake all services listed below.</p> <p><u>100%</u> is defined, in the case of Child Tax Credit and Working Tax Credit, as offering the service to “make claims electronically” and “view / amend customer-specific data on line.”</p> <p><u>Inland Revenue services are the:</u></p> <ul style="list-style-type: none"> • ability to file annual / end of year returns • ability to view and amend customer-specific data (such as account, designatory details) on-line • ability for customers to make payments electronically • ability to use e-Services to communicate with Inland Revenue regarding own specific circumstances. <p>Take-up</p> <p>Measures of take-up for e-services for each group will be as follows:</p> <p><i>Individuals</i> SA Returns filed electronically, including but not differentiating those filed by agents. 'Electronically' means Filing by Internet Service (FBI) or 'Electronic Lodgement Service' (ELS).</p> <p><i>Employers</i> PAYE/NI End of Year Returns (P14s) received electronically - 'Electronically' means filing by Internet Service (FBI) for PAYE or 'Electronic Data Interchange'</p>

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	<p>(EDI), it does not include filing by magnetic media.</p> <p><i>Companies</i> CT600 Returns filed electronically, including but not differentiating those filed by agents. - 'Electronically' means Filing by Internet Service (FBI),</p> <p>and</p> <p>Companies which are active users of the Companies Tax portal facilities: "Active" means Companies registered to file a return as at 31 March 2006 who are either:</p> <ul style="list-style-type: none">• using the 'view/amend data' and 'view liabilities/payments' facilities to self serve and resolve their own queries, or• using e-Services to communicate with the Inland Revenue. <p>Baselines</p> <p>2002/03 will be the baseline year. Targets for the SR period will be set out in the SDA.</p> <p>Validation</p> <p>Progress will be assessed and reported annually and subject to validation by internal Audit Office.</p>
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PSA target: 4	Technical Note
<p>Achieve annual efficiency savings of at least 2.5% a year until March 2006, without detriment to accuracy or customer satisfaction</p>	<p>Efficiency savings will be measured by reference to a basket of indicators. The target is about improving the use of resources in the most effective way, to deliver value for money across a broad range of services and activities.</p> <p>The Department has no single overall measure of accuracy. However, by collecting data on quality measures across a range of operational activities, covering both processing work and customer contact, it is possible to assess trends / levels of accuracy in the areas covered.</p> <p>Customer satisfaction will be assessed on the impact of efficiency measures on the Department's external customers.</p> <p>Baselines</p> <p>Against the Departmental baselines of £2.97/3.02/3.02 billion, the Department will deliver at least £74.4/75.5/75.5 million in efficiency savings.</p> <p>Validation</p> <p>Progress will be assessed and reported annually and will be subject to validation by Internal Audit.</p>

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PSA target: 5	Technical Note
<p>Achieve a 2.5 point improvement in customer service by March 2006, as measured by an annual customer service index.</p>	<p>The index reflects the views of 9 major customer groups of the Revenue, reflecting around 38–40 million customers. It is the product of an annual national survey of these groups, covering around 1,500 respondents for each group. The survey, and the calculation of the aggregate “score”, against which perceptions of overall service can be measured are carried out for the Revenue by an independent market research firm.</p> <p>The national survey looks at the main areas of interaction for each group, in terms of complying with their legal obligations or receiving their entitlements, and the help / assistance provided by the Revenue to enable them to deal with these processes effectively.</p> <p>The survey therefore focuses on:</p> <ul style="list-style-type: none"> (i) customers’ views on how easy (or difficult) they find it to deal with these core processes (including the principal related forms and written guidance); and (ii) their views on the accessibility, speed, clarity and usefulness of any extra assistance they may have sought from the Revenue. <p>As a separate issue from the overall score, the survey also seeks to identify customers’ priorities for service improvements.</p> <p>The calculation of the index score looks to identify the relative importance to customers of the issues covered by the survey and how well, or otherwise, they feel the Revenue delivered on them. This produces a numerical result which feeds into the overall score, and also tells the Revenue where good delivery needs to be maintained, and where to prioritise improvements in the service.</p> <p>This index replaced the “old” customer service performance indicator, which was used for the period up to 2000/1. Since the new index is constructed on a different basis, and covers more customer groups, its results cannot be compared with the scores of the old survey.</p> <p>A baseline score of 68.6 (out of 100) for the new index has been established for 2001/02. Progress will be monitored annually, although the target relates to the SR period as a whole.</p> <p>The target will therefore be met if the Customer satisfaction score is 71.1 or more in 2005/06.</p> <p>Validation</p> <p>The methodology used for the index has been validated by the Department’s Internal Audit Office.</p>