

Individuals Stakeholder Forum, 1st November 2007
Minutes and Workshop Outputs.

1. Notes of meeting
2. Key Strategic workshops outputs:
 - Trivial Commutation
 - Pensions Strategy
 - Post Handling
 - Workforce Change

Notes of meeting 1 November 2007, Boardroom, Horseguards Road

	Issues and actions log	Lead
2.1	Update for next Stakeholder meeting in March 2008	Lucy Huddleston
2.2	Copy of production schedule	Lucy Huddleston
4.1	Discuss customer survey questionnaire with TaxAid	Derek Tilstone
5.1	Feedback reports from previous meeting	Derek Tilstone
7.1	Expressions of interest for the Disability/Equality Forum	Derek Tilstone

Attendees: John Andrews (Low Incomes Tax Reform Group, LITRG)
 Julie Atkin (HMRC, Child Benefit Office)
 Christine Barnes (Equal Opportunities Commission)
 Gavin Brown (HMRC, Child Benefit Office)
 Dave Connor (HMRC, ESS Transformation Prog)
 Frances Corrie (TaxAid)
 Mike Dodd (HMRC, Individuals Customer Unit)
 Mike Eland (HMRC, Director General)
 Ben Forsyth (Scottish Accessible Information Forum, SAIF)
 Jane Frost (HMRC, Director Individuals Customer Unit)
 Pippa Goldie (Royal National Institute for the Blind)
 Keith Golding (HMRC, National Processing)
 Tessa Hamilton (HMRC, ESS Transformation Prog)
 Jane Hurn (Gypsy and Traveller Group)
 Nick Jones (Action for Blind People)
 Mervyn Kohler (Help the Aged)
 David Malcolm (National Union of Students, NUS)
 Jackie Nowell (Citizens Advice, CA)
 Gerry Petherick (Low Incomes Tax Reform Group, LITRG)
 Roger Pugh (Department for Work and Pensions, DWP)
 Rosina Pullman (TaxAid)
 Trevor Smeath (HMRC, CAR Pensions)
 Mary Taylor (HMRC, Individuals Customer Unit)
 Derek Tilstone (HMRC, Individuals Customer Unit)
 Jacqui Tribe (Money Advice Liaison Group, MALG)
 Ann Walker (HMRC, Individuals Customer Unit)

Apologies: John Finney (Stonewall)
 Kate Green (Child Poverty Action Group, CPAG)
 Christina Julios (Ethnic Minority Foundation)
 Pauline Leynshon (Connexions)
 Hashmukh Pankhania (Council of Ethnic Minority Voluntary Organisations)
 Tony Cohen (Deloitte)
 Chris Pond (One Parent Families, OPF)
 Sally West (Age Concern)
 Hillary Spencer (DfES)
 Paula O'Durmody (LB Barnet)
 Gloria Mills (Trade Union Congress, TUC)
 Vanessa Stenislos (Disability Alliance)

Individuals Stakeholder Group

Notes of meeting 1 November 2007, Boardroom, Horseguards Road

1.1 Welcome

Jane Frost opened the meeting by welcoming everyone and spoke about HMRCs continuing commitment to working in partnership with the VCS and wider Third Sector for the years ahead. The main points from Jane's opening comments were:

- pleased to kick off Compact Week with another demonstration of our own commitment to Compact with this meeting
- launching our 2008/9 funding round during Compact Week on 6 November
- pleased to be able to announce we have a rolling 3 year funding commitment for our GIA funding programme through to 2010/11 in HMRC
- VCS Team working hard across HMRC to raise awareness about Compact and to try to make sure we as an organisation live the Compact principles
- welcome to Royal National Institute for the Blind, Equality and Human Rights Commission, The Northern Network of Travelling People and Action for Blind People who either could not make the last meeting or have been invited to join the group subsequent to that meeting
- John Andrews from LITRG is involved in a joint agenda item with us today and looking forward to more agenda items in the future either managed jointly between us or indeed led by you
- we will be reporting back to the FST on the success of the group in November. This group survives if it is seen as mutually beneficial and if it is meeting its aims and if it is delivering real consultation opportunities
- we want to run a bigger event in March which will include this meeting. It will also report back on our GIA funding projects. We will be involving some of our VCS project owners in that. We have fixed a date for that meeting in early March and dates for that meeting and further meetings in 2008/9 will be circulated all provisional of course pending report back from FST
- a lot of work going on currently led by my Customer Unit around the disabled, pensioners and outreach issues to name but three. You will hear about some today and we are keen to have your valuable insight now and in future months in driving improvements for the customer across HMRC

Jane introduced Mike Eland as the Director responsible for the Individuals Customer Unit, much of the operational side of the Department and also as the champion of The Lesbian, Gay and Bisexual Diversity network.

1.2 Minutes and Actions

- Previous minutes - Derek Tilstone explained to the group that the minutes of this meeting would be published on the HMRC Internet site so he advised that the minutes should be closely scrutinised before they are signed off. The minutes will be issued for comments shortly after the meeting
- Action 2.1 Consultative Fora – Following an action point from the previous meeting, Derek also advised that a list of HMRC's consultative fora has been issued to the group and asked that he be informed if this was considered not to be completely up to date

- Action 2.2 Feedback from this event – Derek proposed to contact all attendees by telephone shortly after the event to ask for feedback. This will be included in HMRC's report to the FST on the group.
- Action 3.1 Disability and Equality Scheme – Katie Forman of HMRC Communications & Marketing confirmed that the Central Office of Information produces guidelines to help in making marketing accessible and there is a drive in HMRC to meet this standard. John Andrews had also flagged this up prior to the meeting. Jane Frost added that HMRC's literacy standards are being directed to meet the literacy level of 8 or 9 year olds.
- Action 5.1 Report back on Strategic topics covered – Derek advised that he would draft an update report on the strategic topics and issue it with the agenda for the next meeting.

2. Web Convergence

Lucy Huddlestone, of the Channels and Complaints team in Individuals Customer Unit (ICU) explained that her team were working to improve the content of the HMRC Internet site and would welcome feedback from the group. It is understood that the HMRC website does not meet the needs of our customers. One comment made was that the site "makes intelligent people feel stupid". The main points from Lucy's presentation were:

- by 2011 all Government Departments websites would be accessible through Directgov or BusinessLink
- the HMRC website would eventually be "switched off" - it will take 3 years to review the content so it has been prioritised and will be rewritten to meet the literacy levels of 7/8 year olds
- on-line mandation, PAYE Employers has been identified as a priority area of work with VAT and Self Assessment to follow.

Because of the size of the project Lucy felt that it was important to consult with the VCS and offer them the opportunity to become involved in customer testing.

Comments/Q&A – Web Convergence

Rosina Pullman (TaxAid) commented on the terminology e.g. distraint.

Q: Gerry Petherick (LITRG) asked if the link to the Directgov site would be 2-way

A: Lucy confirmed that the information on the HMRC site would be available through DirectGov and that there would also be a link from the HMRC website to DirectGov.

Q: Gerry Petherick (LITRG) commented that the HMRC site had various accessibility problems and asked if there were plans to improve it?

A: Lucy agreed, stating that improving the web content would improve some of the accessibility issues on the site but that once Web Convergence was complete, DirectGov would provide a fully accessible service. HMRC would have responsibility for maintaining their content.

Q: Ben Forsyth (SAIF) commented that this would essentially be adding an extra step into the process.

- A:** Lucy commented that our research suggests that customers would prefer to access all Government services from one place.
- Q:** Pippa Goldie (RNIB) asked whether accessibility was being considered at the beginning of the project rather than as an add-on
- A:** Lucy confirmed that this was the case and it was important to the project.
- Q:** John Andrews (LITRG) was concerned that timescales would be extremely tight for consultation with the VCS and asked that HMRC bear in mind that the VCS have very limited resources and therefore will need to allow a considerable amount of time for any consultation to be successful.
- A:** Lucy agreed and asked if a copy of the production schedule would be useful. This was agreed.
- Q:** John Andrews (LITRG) highlighted that customers with hearing difficulties do not receive a good service from HMRC and that we should be making more use of textphones, Typetalk, etc. The new website should address this and be friendly for all. Pippa Goldie (RNIB) endorsed this.
- A:** Lucy confirmed that this would be the case on the new site.
- Q:** Frances Corrie (TaxAid) asked where the split of the HMRC website would take place
- A:** Lucy replied that although DirectGov would hold a lot of HMRC technical information, the huge amount of "Library" content would remain on the HMRC site even when the site itself was no longer directly accessible to the public. A search on the DirectGov site would lead to the HMRC site.
- Q:** David Malcolm (NUS) said that there was an awful habit on DirectGov. of having massive web addresses and asked that HMRC do something to make it simple when providing links to other sites
- A:** Lucy agreed that links should be kept simple.
- Q:** Jane Hurn (G&T Group) commented that the website was effectively inaccessible if you were not registered and that in her experience, customers needed to make a phone call to access services. This was another hurdle to overcome.
- A:** It was agreed that this was an issue for Business Link but that Lucy or Peter Guy could be contacted with any queries in the future.

3. Departmental Outreach

Ann Walker and John Andrews presented to the group and asked "What can HMRC do to support the VCS?" "What would it look like?" John had circulated a paper prior to the meeting as he had been asked to give a personal view on behalf of LITRG as to what he thought Outreach meant. John also stated that LITRG were very pleased to do that in order to stimulate debate and were very supportive of the ICU and their customer-focused role. The main points from John were:

- The withdrawal of regional structures has meant that the days of speaking to the same person in your local Tax Office have gone meaning that the critical face to face interaction with Government is more difficult.
- There have not been any more offices opened to deal with the £3.9 billion owed to HMRC in Tax Credit cases and the outreach programme now seems largely to take place by County Court.
- It was admirable that HMRC were asking for comments on outreach but, ideally, he would like to see a one-stop-shop that combines HMRC, DWP, Local Authority and the VCS.
- HMRC are the main drivers of the child poverty programme and are to lose 25,000 jobs and this would impact on the VCS.

Jane Frost said that ICU has implemented an external events programme that is helping HMRC to talk to the VCS but recognises that more needs to be done to reach other VCS organisations and customers. John agreed but added that the right person with the right level of knowledge should attend these events.

Comments/Q&A – Departmental outreach

Rosina Pullman (TaxAid) commented that the VCS cannot swim against the tide of change and that if it is the VCS that addresses the issue of outreach there has to be better funding available.

Jackie Newell (CA) added that outreach should be part of the [Thoresen Review on Generic Financial Advice Service](#) and that HMRC should be plugged into this. Rosina Pullman (TaxAid) added that the Thoresen Review agenda should be out in the Spring.

Jackie also talked about how useful “trickle down” training (CAB advisors trained by HMRC) has proven to be in the past and John Andrews endorsed this point.

Frances Corrie (TaxAid) commented that there is a distinction between vulnerable people at the bottom end who need help and people who just have a specific Tax problem. Perhaps, regional offices could provide an expert (E.g. Student Loans or Corporation Tax) on a rota basis in each of their offices. Enquiry Centres should be able to promote this service.

Jane Frost summed up that there was an obvious lack of money in HMRC but that an organisation that wanted to change and improve would look upon this as providing a good opportunity to invent and initiate new ideas. While HMRC was going through changes, we would keep in touch with the VCS.

4. National Processing

Keith Golding then spoke about National Processing. The main points from Keith were:

- **Tax Credit Office** – based in Liverpool, Belfast Newcastle and Preston deals with claims involving 6 million families and 10.1 million children.
- **Child Benefit Office** – One of the more stable benefits. Deal with claims involving 7.5 million families and 30 million children.

- **National Insurance Contributions Office** – Deals not only with NI registration and accounts but also with Deficiency Notices and Statutory Maternity payments. 40 million accounts are handled including 1.3 million Employers and 3.5 million Self-Employed.
- As part of “putting the customer at the heart of everything that we do”, National Processing are working to deliver a customer focus strategy and feedback needs to come from both staff and customers. There is a lot of information on customers in National Processing but not a lot of information from customers and Keith hopes to address this by generating customer understanding and by creating a real-time feedback loop.

Comments/Q&A – National Processing

Jackie Newell (CA) commented that the wording used in letters from HMRC was obscure and confusing and a review needs to be undertaken of correspondence.

John Andrews (LITRG) added that senior HMRC officers should be seconded out to work for a short time with VCS organisations so that they can experience for themselves the difficulties that the VCS face. These HMRC officers **MUST** be people of influence.

Ben Forsyth (SAIF) added that HMRC letters are so badly worded that customers can sometimes deduce that they are about to be sued even though no action is necessary.

Jackie Newell (CA) concurred and said that our customers think that they will make the matter worse if they ring to query a letter. Jane Hurn (G&T Group) agreed.

Q: Frances Corrie (TaxAid) asked what information we derived from our complaints process

A: Keith said that analysis was broken down into 2 parts:

- Complaints about the process e.g. overpayments
- Complaints about the service e.g. incorrect advice

But, added that steps were currently being taken to improve service problems.

David Malcolm (NUS) pointed out that there may be a PR problem resulting from the recent Deficiency Notice exercise when customers are informed that they may only need to have paid 30 years into their pension. The Pensions Act which was introduced in July 2007 reduces the number of qualifying years needed to qualify for a full basic State Pension to 30 years for both Men and Women reaching SPA on or after 06 April 2010.

Rosina Pullman (TaxAid) informed the group that they are undertaking a client survey about the customer journey cross HMRC and offered to add a question to their questionnaire on service problems. Jane Frost offered to ringmaster this.

5. Feedback from workshops in June meeting

The feedback report from the last meeting was issued recently. Derek will speak to individual attendees in the near future to find out whether this is a good way of doing this and do they feel that their feedback was reflected? The meeting suggested they were largely content with the arrangements.

6. Workshops

The group dispersed to attend workshops (see output attached).

7. Disability Strategy

Mary Sullivan talked to the group about HMRC's Disability Strategy, saying that this was the first time that this issue was being looked at since the IR/CE merger and that the driver is "putting the customer at the heart of everything that we do".

Joint research with DWP was commissioned looking at the life events of customers and, from that, Mary's team have been investigating where disabled people have contact with HMRC. They will have a better idea of the results of the research by March 2008.

Mary is hoping to set up a Disability/Equality Forum and asked for expressions of interest to be routed via Derek Tilstone. Terms of Reference will be prepared in advance of the first meeting at the end of January 2008. Ideas for a suitable venue would also be welcome.

8. Summary of event

Jane Frost was grateful for everyone's contribution and said that she had personally picked up some interesting information from the event.

This being such a new group, FST is interested in the group's progress and as interest grows, more people in HMRC will express an interest in attending.

On a personal note, Jane was glad to see Individual people getting more attention from her team and this group.

Jane was considering visits to key stakeholders in the devolved administrations and would welcome suggestions from the group.

The minutes would be issued for comment soon along with the date of the next meeting.

9. Future meetings

The provisional dates for future meetings are:-

6 March 2008
12 June 2008
2 October 2008
15 January 2009

Key Strategic Workshops - Trivial Commutation

Attendees – Help the Aged
MALG
RNIB
Equal Opportunities Commission
Action for Blind People
Citizens Advice Bureau
TaxAid

The overall view was that there were very few, if any, enquiries, about trivial commutation. However, this might have been because of the relatively short period of time that the current rules had been in place. The exception was in respect of the taxation of the trivial commutation payments where there had been increase in enquires about the amount of tax deducted from the payments as a result of bringing them into the PAYE procedures.

Despite it having a low profile in terms of enquiries it was thought that trivial commutation was a complicated issue. Experience had shown that individuals found the whole issue of pensions daunting:

- This could be exacerbated when the need to complete forms was difficult in itself because the individual was blind, for example.
- For the unrepresented on low incomes it would be fair to say that people find it impossible to grasp the concept of a notional pension pot calculated by a conversion process. The new rules have certainly generated a wider interest in the possibility of commutation but the people involved rely heavily on the advice and support given by the pension providers
- As it was not uncommon for individuals to be unaware of what pension benefits they had built up over time it was thought likely that there was a lack of any awareness about the implications of the possible options in relation to trivial commutation, such as bringing together small amounts of pension saving into one, economically viable, fund or the impact of taking a small pension instead of trivial commutation might have on means tested benefits like the Pension Credit.

Giving individuals choice about whether or not to take a trivial commutation was seen as a good thing but it could present practical difficulties.

- If an individual approached a voluntary sector organisation for advice about whether or not to take a trivial commutation or about whether or not to amalgamate pension saving, the individual would have to be asked to seek that advice from a financial adviser as it was likely that the voluntary sector organisation would not be qualified to give such financial advice. However, because of the small amounts of pension saving involved, it might be difficult to get any advice or, otherwise, the cost might be disproportionate.
- Similarly, the charges involved with amalgamating small amounts of pension saving might be disproportionate.
- Problems experienced with HMRC after tax has been deducted from the 75%. Despite the P53A process being designed to make it easy to claim repayments, people are experiencing long delays in getting overpayments back. The sums are often relatively small in HMRC terms, but they are enormous to a low-income pensioner. Tax offices seem generally unaware of the P53A process and it certainly does not seem to be working consistently

across the country to provide fast track access to repayment. HMRC need to address the situation and remedy.

It was thought that the issues around trivial commutation highlighted a general educational need in relation to financial planning matters and that trivial commutation could become more of an issue when the 'Personal Accounts Scheme' comes on line, as the instances of individuals with small amounts of pension saving could increase.

- the one-off payment is very much the preferred option. We have no evidence that anyone asks about the possible impact on means tested benefits or even realises that there might be such an impact.
- People with small pensions of £260 or less a year would generally prefer to be able to commute them rather than receive a tiny sum for life, no matter that they may have other pensions which in total exceed the new limits. Some further flexibility would be welcomed.

Trevor Smeath

Key Strategic Workshops – Pensions Strategy

Ways to user test

- presumably there will be user testing of the new form P161 to give added confidence that the changes are for the better given that there is no way of measuring the outcome statistically
- there will be testing of the web convergence pensioner material, but is this not an automatic requirement of the project and would be done anyway?

Form P161

- need to consider when retirement occurs – may need more than 1. Retirement situations vary
- if you do not know how many of those you send out come back, how will you know whether you have made the process better or worse?

Make it clear that SP is taxable but not taxed at source

Pensioner Forum – need one, TC benefited enormously

Training

Staff training so people can be signposted

- what is the relationship between the pensioner material currently in use on the Customer Adviser Guide and the revised material going on the website? The CAG is not publicly available but will it be updated to hold the same information as the website or will there be two sources of material?

Clarity of information

- will it be possible for ICU to influence the production of any non web-based material targeted at pensioners without access to the web at the same time as the web-based material is being generated?

VCS – How to develop preventative role

Involve major employers to inform employees re: planning, etc.

Grant-in-Aid funding – how to target funding to achieve objectives

Accessibility – more options

- trusted intermediary
- from start to finish

BPA – why is there different treatment between a new claim and an existing enquiry?

Joining up with DWP - older pensioners & PC - transition to retirement

Pensioner forecast/tax – look at Dutch model “Orange envelope”

“Significant changes” – statement to check to customers

Key Strategic Workshops – Post Handling

- Key is no deterioration – improvement would be nice!
- Meeting time limits/delays
- Enquiry Centres receipt of post delivered by hand/date stamping
- Loss of registered/recorded delivery post
- Need for SLA/accountability
- Confusion, where to send things
- Can we use “postage free” envelopes more?
- Look at student loans company. Hillingdon, Glasgow.
- Letters marked “complaint”. How do we give these priority?
- Introduce e-mail – cut volumes of post. DWP use e-mail/onus on individual to choose.
- Are we going to issue a communication about what we are doing? FAQ’s on website.?

Disability

- Letters received in Braille? How do we identify these now/how do we treat these?
- Info on CD/DVD’s.

Key Strategic Workshops – Workforce Change

There was a lot of discussion about enquiry centres and F2F in this session that was useful, but had a wider remit than WFC. WFC team outlined for the group the commitment to keep open an Enquiry Centre in each of the current EC locations.

What concerns do people and their customers have about the workforce change programme?

Rural areas and those in the gypsy and traveller community benefit from a trusted contact in an enquiry centre who understands their particular issues – concern this will be lost if enquiry centres are closed or moved.
The loss of back office services on site with enquiry centres would impact capability. In the past Enquiry Centre staff could call upon the wider knowledge of back office staff with difficult cases coming into enquiry Centres.
Concerns about the movement of Enquiry Centres where we were vacating offices. With no formal commitment but an informal figure of within 3 miles there is the capacity to make journeys for rural groups and vulnerable groups such as pensioners and the disabled even more difficult.
Why not link with DWP & local authorities to provide a more holistic F2F service
The issue about loss of back office skills might also apply equally to language barriers with migrant workers. Often there can be someone in the office who will be able to translate but this is likely to be reduced with the loss of on site back office functions
The footfall statistics into Enquiry Centres used by HMRC were considered to be flawed. Some felt that it was difficult to find where Enquiry Centres are and questioned the fact that HMRC do not make it easier for people to find F2F. If people knew where and how to get to an Enquiry Centre they would use them more
The move to hubs and centres mean people do not really have a local tax office now. You often receive letters from different tax offices and our letters often refer to the fact you should contact your local tax office which is confusing for people when in effect they do/will not have one. Be honest about it.
Another confusion is the change to HMRC. People still look for Inland Revenue. Even some offices still have Inland Revenue signs further confusing people

How do HMRC respond to those concerns?

In general the group did not have major concerns about the movement of back office functions. Concerns revolved around the wider issue of Enquiry Centres, F2F and HMRCs commitment to F2F needs particularly for vulnerable customers.

There is already a historic problem with positioning of Enquiry Centres which is not addressed by a commitment to keep Enquiry Centres where they are.
There is also an issue about the hours of service from Enquiry Centres impacting on working people
It is often too difficult to find or get to Enquiry Centres and this needs to be addressed
What is HMRCs future strategy around keeping Enquiry Centres in the same place? It seems that the present proposal is out of date.
From the perspective of students and others seeking employment what is the rationale behind the centring of processing offices. Is the move North, South, East West? – WFC Team outlined the Lyons Review and its impact in relation to moving jobs from the South East. There was not a strategy for specifically moving North
E-mail is good for students. When are we going to provide that channel?
If we do not address problems with our F2F service we will be impacting our most vulnerable customers disproportionately

