

Welcome to the March Technical Newsdesk

Welcomes

22 February 2022

I have been Head of the CIOT's Technical Team for over six years, now. Doesn't time fly? Like many people working in charitable organisations, I was attracted by the opportunity to use my talents and experience to 'put something back'. I recognise I am not changing the world, but taxes must be paid to fund public services, and if I can help to make that system better and more efficient, then I can be pleased with my achievements.

If you have read the CIOT's technical submissions, you will know that we emphasise our charitable status and our objectives for the tax system. One of our key aims is to achieve a more efficient and less complex tax system for all affected by it.

The CIOT's Low Incomes Tax Reform Group (LITRG) works to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of people on low incomes, providing 'a voice for the unrepresented'.

The ATT is also a charity and has similar charitable objectives to the CIOT. Its technical work seeks to ensure that the UK tax system is workable and as fair as possible.

So how would I reflect on the last six years? I think the first thing I would say is that it is difficult to identify, and maintain, the characteristics of a 'critical friend' – the relationship we seek with HMRC (and other policymakers). We want to have a trusted, collaborative relationship, so they are comfortable in sharing ideas and information with us (sometimes in confidence) as part of a policy development or new initiative. But this means we must be mindful that any criticism of them is reasonable and evidenced, not simply 'letting off steam'. Why would an organisation want to engage with someone one day, if they are then unreasonably critical of them on the next?

Maintaining this balance, and ensuring we are 'in the room' for the discussions, means we can be influential and make a difference. Some recent successes, all of which have (to some extent) been influenced by us, include:

- deferral of basis period reform by a year;
- deferral of Making Tax Digital for Income Tax by a year (again);
- removal of the third trigger from the uncertain tax treatment notification requirement;
- waiving of penalties for Self-Assessment returns filed online in February;
- HMRC having a rethink about the VAT and value shifting changes;
- resolution of the inequality affecting workers in net pay arrangement pensions schemes;
- LITRG's labour market reporting prompting the call for evidence on the umbrella company market; and
- the development and launch by HMRC of their performance dashboard.

Perhaps none of these is, in themselves, revolutionary, but all of them deliver against our charitable objectives outlined above. This is a flavour of what has been achieved, selected from a much longer list, comprising things in the public domain and those which are not. Of course, whether our recommendations are adopted is ultimately out of our control, but we work hard to base our suggestions on evidence and the technical expertise of our volunteers and wider membership. Save to say that in 2021 the CIOT, ATT and LITRG had record levels of engagement with policymakers, which we seek to outline in the 'news from' CIOT and ATT in the Tuesday

email newsletter.

I cannot end this month's introduction without reference to HMRC's service levels, which for many currently present the greatest challenge. We continue to have regular discussions with HMRC about their performance, and they are acutely aware of the areas that are behind and the problems this creates. We are pleased that HMRC have launched their performance dashboard, which predicts that the vast majority of performance will be back on track by the end of this month. We will soon be reaching out to volunteers and the wider membership for ideas to streamline processes and reduce time and 'red tape', so please keep an eye out for that.