



15 September 2023

Rt Hon Victoria Atkins MP  
Financial Secretary to the Treasury  
HM Treasury  
London  
SW1A 2HQ

Via email: [Action.FST@hmtreasury.gov.uk](mailto:Action.FST@hmtreasury.gov.uk)

Dear Minister,

### **Tax simplification**

We wanted to follow up on our letter dated 5 April 2023 and our meeting with you on 10 May 2023, where we discussed simplification. Thank you for finding the time to meet with us.

We welcomed your assurances that simplification remains a key priority and believe that accountability for its delivery remains important. We are committed to supporting the work to embed simplification in tax policy and administrative design.

#### Follow up with HMRC and HM Treasury officials

We have met twice with HMRC and HM Treasury officials following our meeting with you. We discussed our nine recommendations; whether there are quick, revenue-neutral, administrative changes that would simplify the system; and, how we can support this work.

Regarding our recommendations, we appreciate the process for embedding simplification is still in development and will evolve over the coming months. It was helpful to hear of plans for a senior panel to ensure policy officials have properly considered simplification in designing new measures.

Measurement of progress towards simplification, which although hard to define, remains essential. We encourage the consideration of bespoke measurements for policies based on the potential they have for simplification, albeit tied back to your overarching objectives. Your recent commitment to the Treasury Select Committee to provide an annual report of progress on simplification is another helpful step, showing this remains a priority.

We stand by our recommendation that simplification is added as a discrete category in Tax Information and Impact Notes (TIINs). We accept that the information could be included in other sections of the TIIN, but we are not

persuaded that this would be as transparent, or demonstrate the same level of commitment to simplification. Simplification goes further than proposals to simplify the tax system, it includes prevention of measures which add complexity, albeit recognising that on occasion delivering fairness may introduce complexity. It is important to deliver and measure net simplification to the tax system, rather than simplifying existing rules, while ignoring the complexity created by new ones.

We appreciated the invitation from officials to provide suggestions for simplifications, and we all continue to feed these in through the relevant working groups and stakeholder forums.

We are also working on a business case template for simplification suggestions, which we hope will provide a useful tool for the professional bodies, HMRC and HM Treasury, enabling consistency, easier comparison of ideas, and consideration of key factors. Our feedback could be greatly strengthened by a more defined scope of areas to consider as priorities for simplification, supported by a dedicated budget and legislative space.

### Next steps

We have agreed with HMRC and HM Treasury officials to form a regular group to discuss progress on simplification (the Terms of Reference are being worked on by HMRC and we will provide our input into their development). We hope this group can help with ensuring a full view of the different areas and share lessons learned with the working groups.

However, we still have concerns that without a clear plan, focused resource, accountability and investment, it is going to be very difficult to deliver meaningful simplification and build trust that simplification is genuinely being embedded in the policy making process and given adequate weighting.

The changes in the simplification package at Spring Budget 2023 were a step in the right direction but narrow in scope. Our members continue to tell us that complexity – in both the UK tax administration system and tax legislation – is a key issue for them, especially when combined with the challenges they face in getting help from and engaging with HMRC customer services and systems. They would welcome simplification that has a much broader impact across the taxpayer population; this would help reduce compliance burdens and increase much desired certainty. Many are waiting to see what will happen in the wake of the OTS. A clear publication of a plan or roadmap on simplification would help signal to businesses of all sizes, our members and taxpayers, government intention and commitment.

We would be grateful for a written response to our letter of 5 April 2023. In particular, we would appreciate your thoughts on each of our nine recommendations so we can indicate to our members the actions you are taking to embed simplification and the consideration you have given to the points we raised.

### **Regulation**

When we met on 10 May, you requested we schedule a further discussion on the regulation of the tax profession.

This is an important subject for us as the tax professional bodies, and one which we have been discussing as a group and with HMRC. Any changes would directly affect our members, and our role as professional bodies in upholding the standards as signatories of Professional Conduct in Relation to Taxation (PCRT) rules, with which all our members must comply.

We are united in our desire for high standards to both protect consumers and close the tax gap and would welcome the opportunity to meet with you to discuss this subject. Please let us know a convenient time for this conversation.

We will be publishing this letter, and your response, on our websites.

Yours sincerely

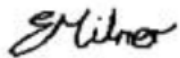
*[by email]*

**Jane Ashton**



Chief Executive Officer, Association of Taxation Technicians

**Ellen Milner**



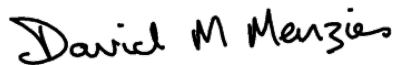
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