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“Let’s Get Digital!”

AAT Conference

London: Saturday, 29 November 2014

Julian Hatt

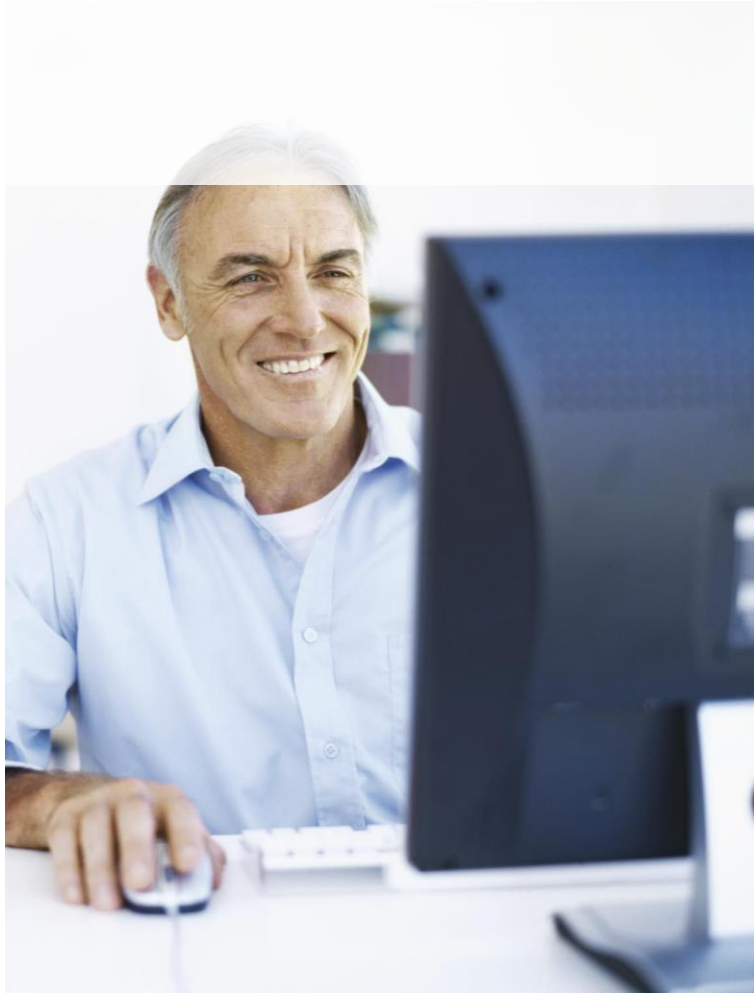
Head of Customer Understanding & Engagement (Business Tax)



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Setting the Scene

A clear direction – the HMRC Digital Strategy



- Develop and improve services based on understanding our customers needs
 - Easy to use, convenient, personalised
 - Services for Consumers and Professionals
 - Multi-channel digital approach (online, mobile, phone)
 - Assistance for those who need help
 - Alternative ways for those who can't
- Reduces contact pressure and reduces cost
- Tax transparency
- It's not all about IT!



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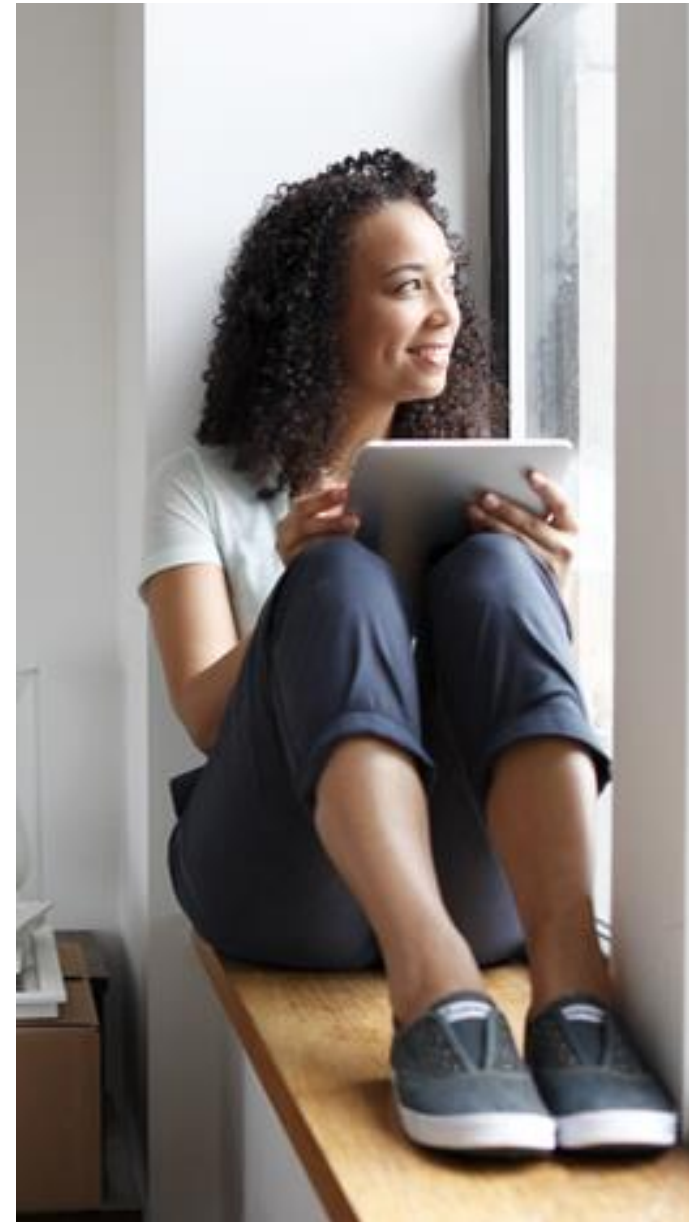
Our Digital ambition

HMRC becomes a fully accessible digital business:

- providing tax accounts for individuals
- providing tax accounts for businesses
- offering both low volume and high volume transactions
- giving a personalised user experience similar to online banking
- publishing our APIs and encouraging innovative third party products for those who choose to use them



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The UK – A Digital Nation?

ONS research published in **August 2014** found that

- In Great Britain, 22 million households (84%) had Internet access in 2014, up from 57% in 2006
- In 2014, 38 million adults (76%) in Great Britain accessed the Internet every day, 21 million more than in 2006, when directly comparable records began
- 54% of UK adults had accessed government information or transacted with government online
- Access to the Internet using a mobile phone more than doubled between 2010 and 2014, from 24% to 58%
- 4 million households without Internet access, the majority (53%) said that they didn't have a connection because they 'did not need it'

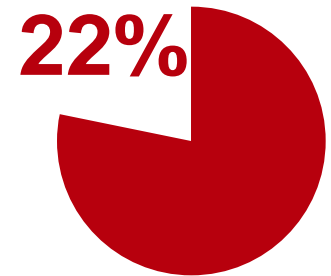


Our business

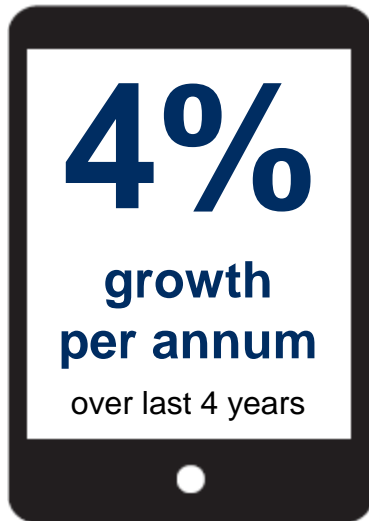
Revenue £505.8 billion

£23.9bn of additional tax revenue brought in – a new record

Workforce
reduction



2011-2016



SME customers

Tax Gap
£34bn



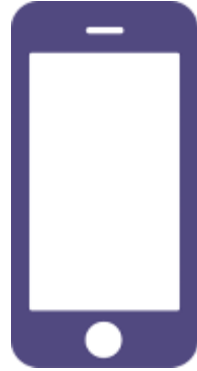
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Our relationship with our customers

70m
inbound letters



55m
inbound calls



70%
of all government
transactions

200m
outbound
letters



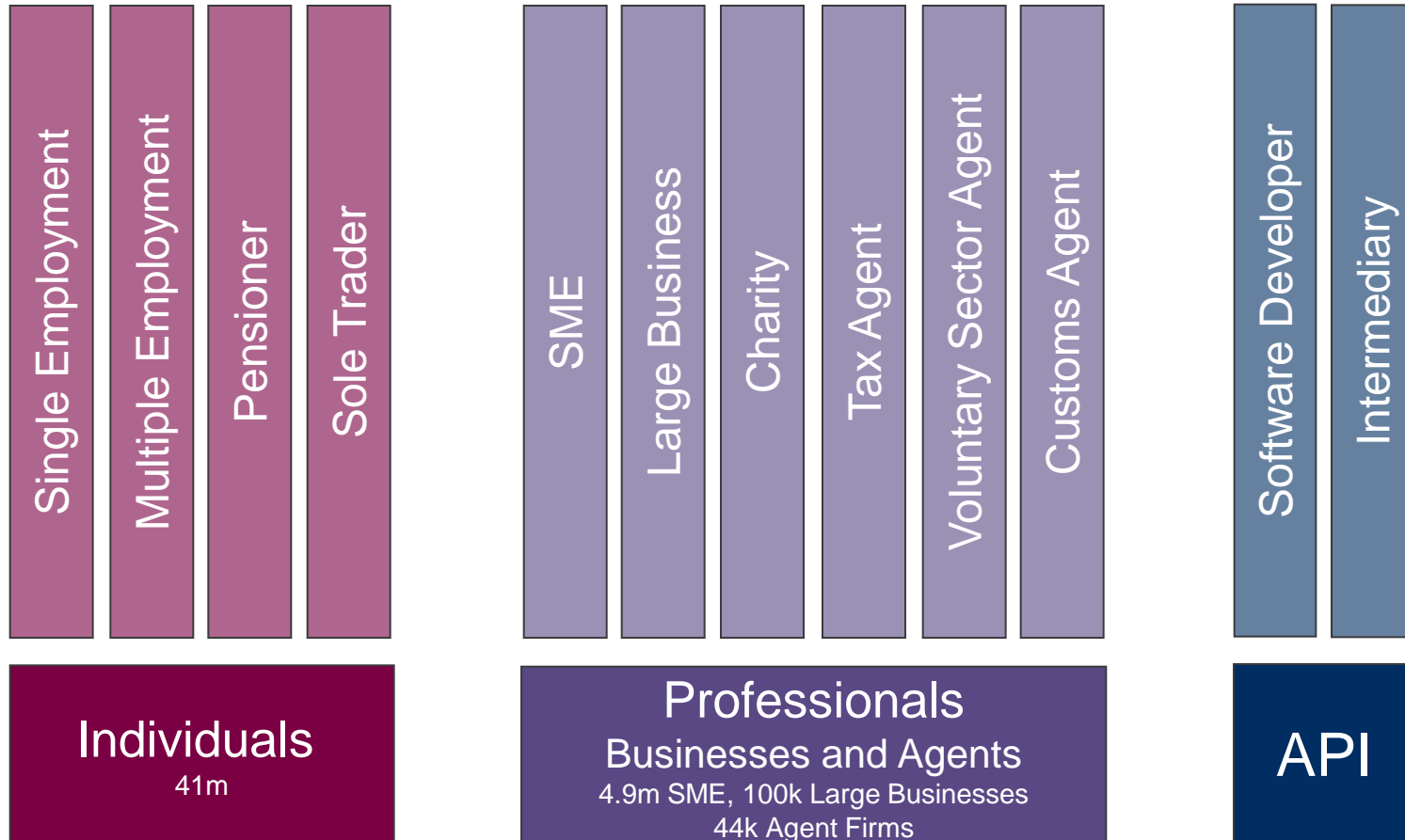
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A New Approach

3 User Communities: Many Digital Journeys

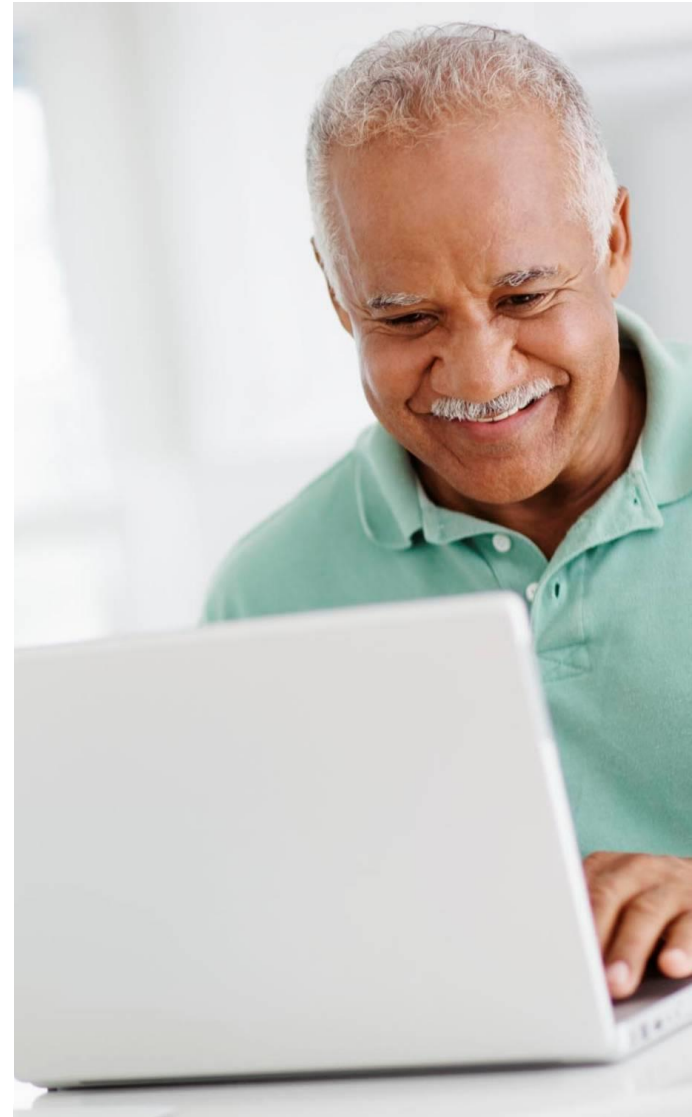


We're designing for people, not screens

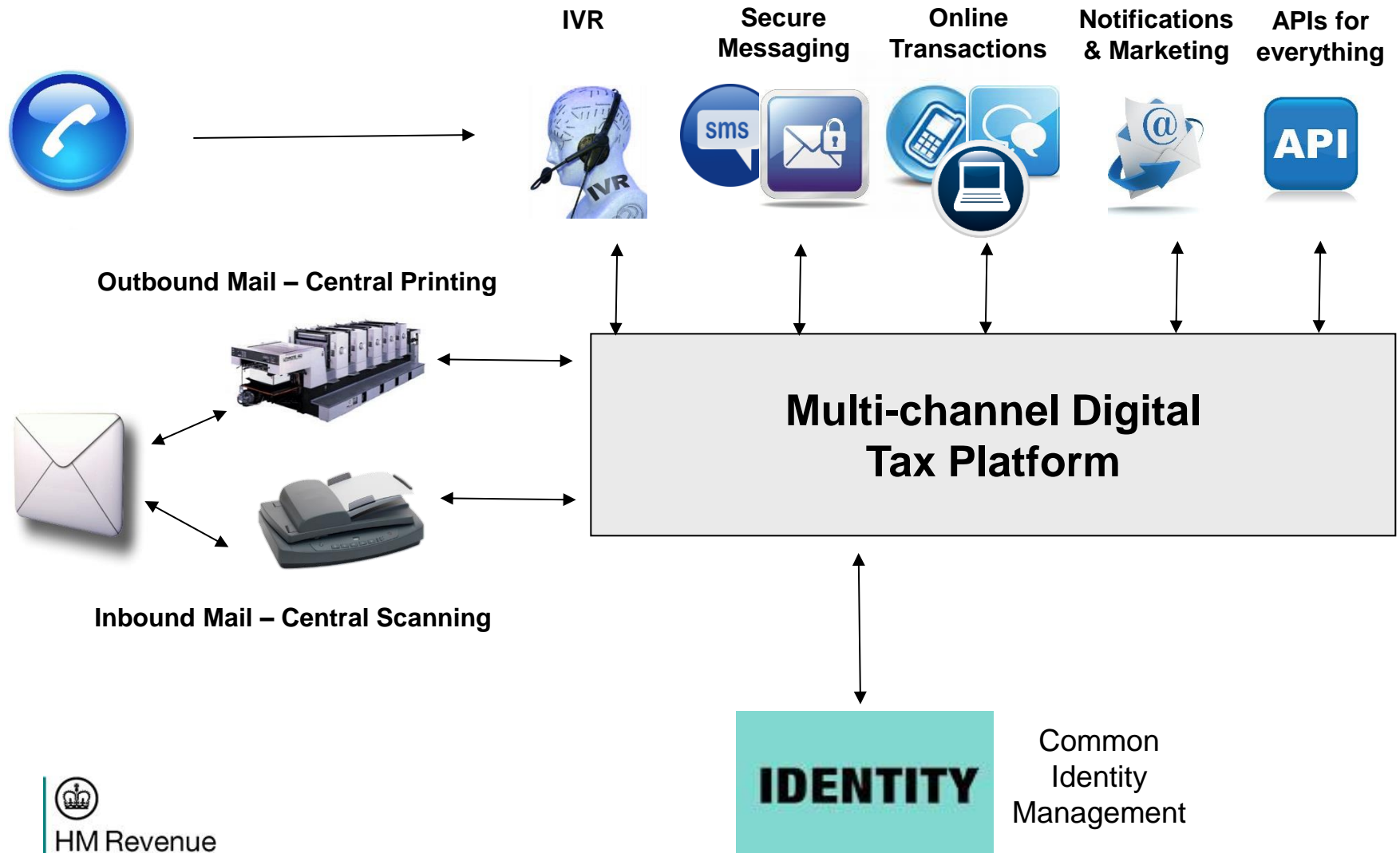
We start with understanding the user needs for each of the communities

We create smooth end-to-end customer journeys including:

- communication about the services available
- what you need to do to be compliant
- how you can find and access the service
- how you interact with the service
- how you know when you have fulfilled your obligations
- when your next obligations are likely to arise



Multi-channel Digital Tax Platform

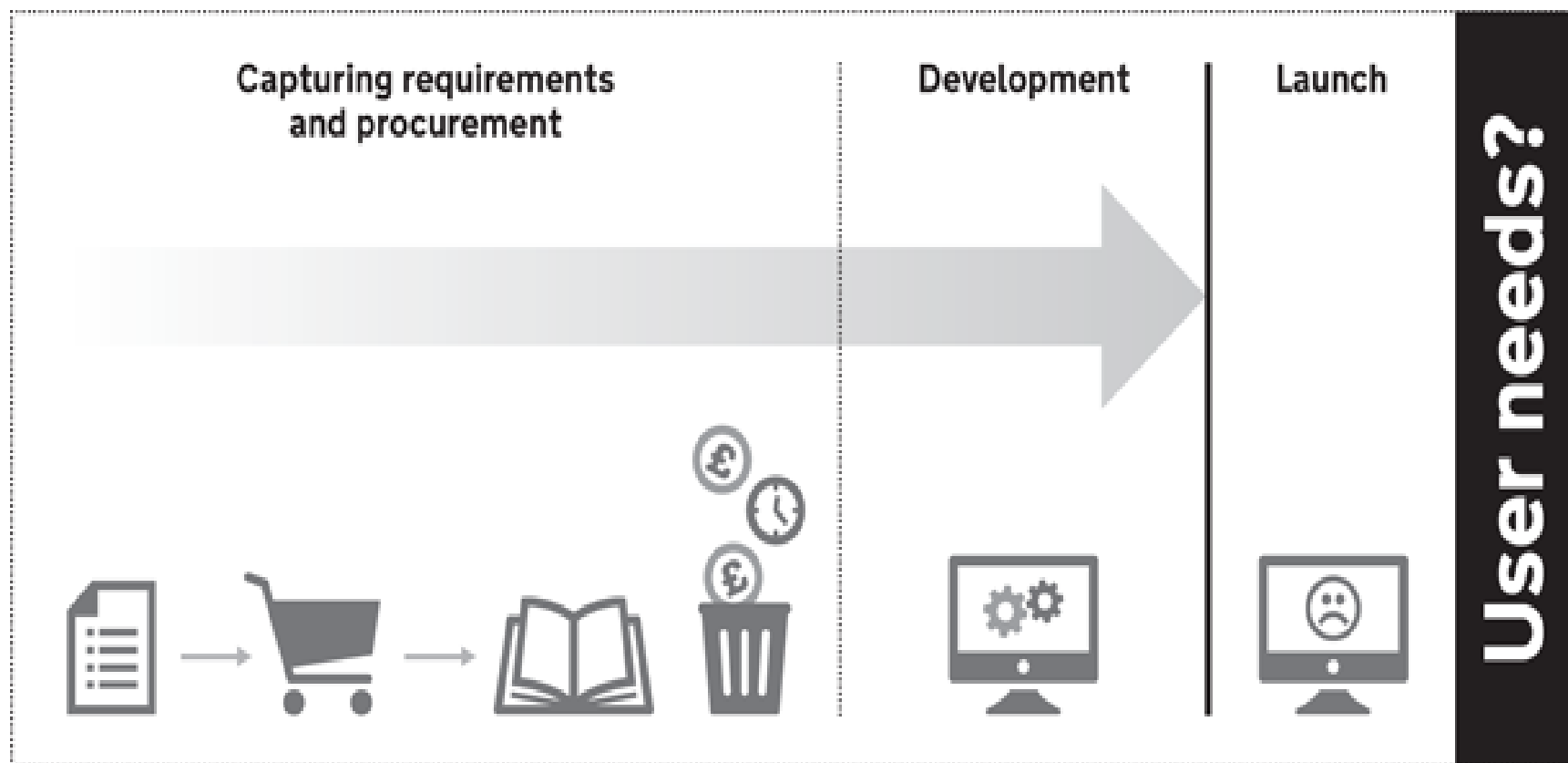


How are we doing it?

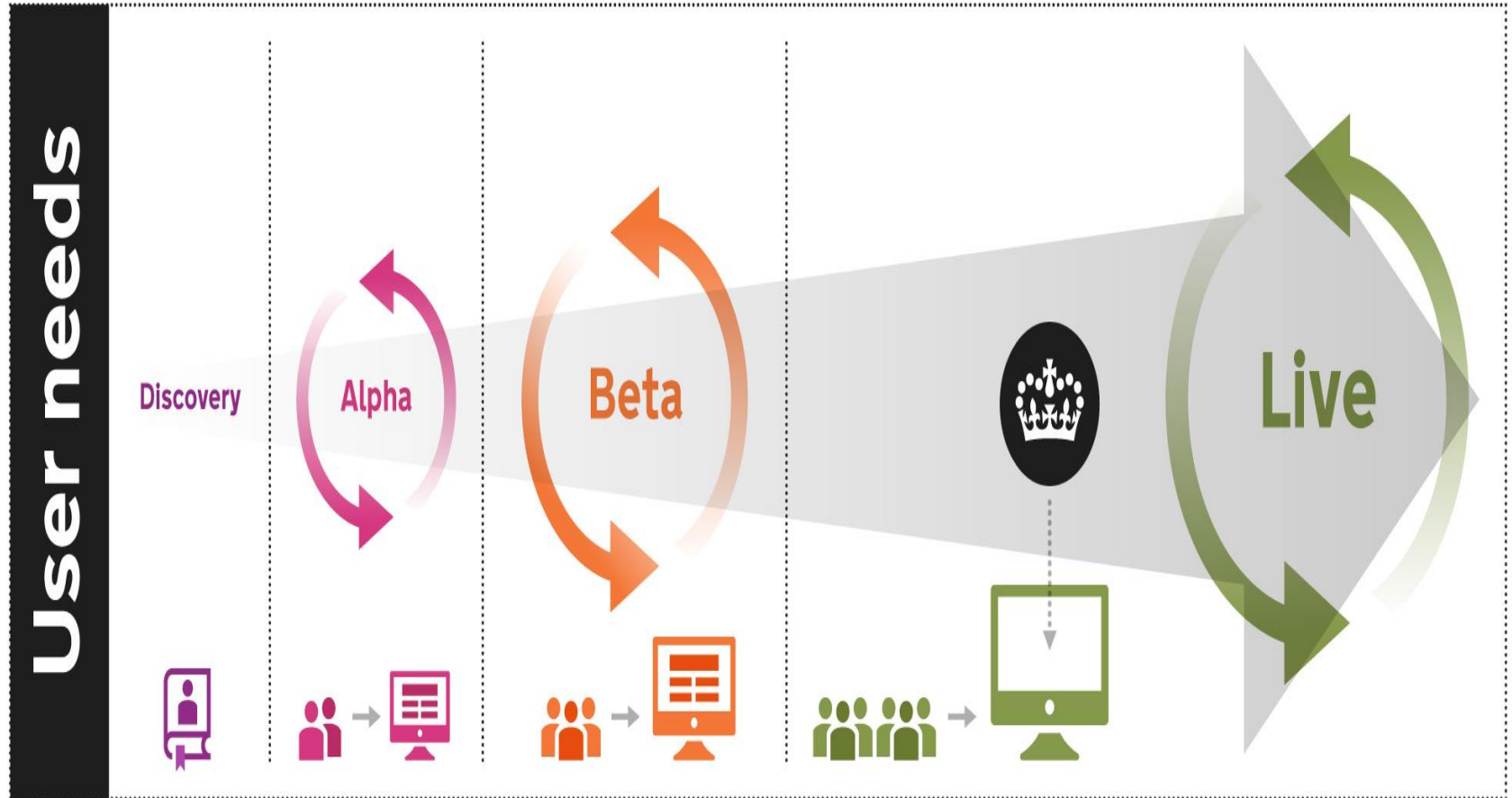
- Focusing on **user needs**
- Delivering **iteratively** (start small and grow) rather than agreeing all the detail upfront
- Regularly **user testing** to inform development and design
- **Ongoing improvements**
- Delivering via a more **flexible design/delivery process – Agile**



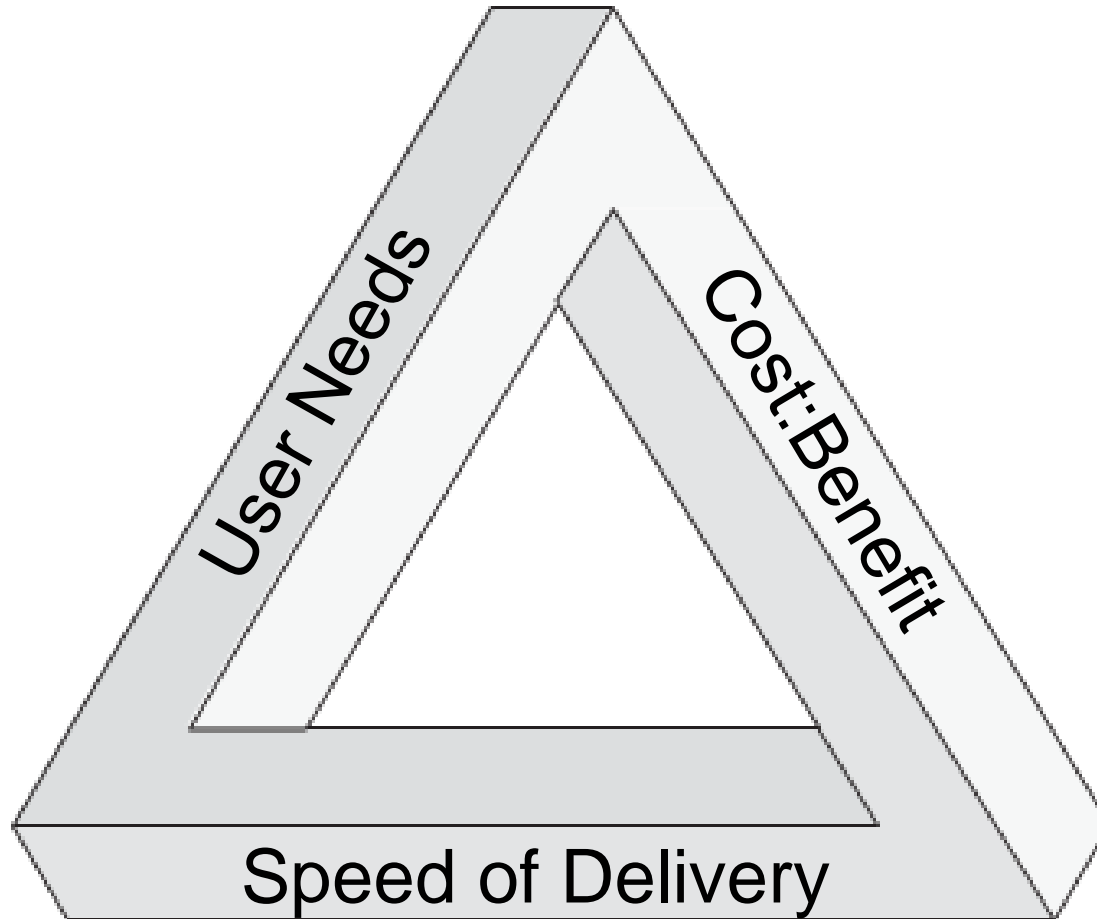
The 'old' way



The 'new' way - agile working



Other considerations



Digital Delivery Centres



- First centre in Newcastle officially opened on 29 July 2014
- Its first project was a process for online tax credits renewals
- Brings together all the teams needed to design, test, build and run digital services
- The blueprint for how other public sector organisations can deliver digital services in the future



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Digital Centre in action - Tax Credits Renewals

- New service built in just 8 weeks using agile approach
- More than 600 customers and staff involved in usability testing
- Just under 409,000 customers renewed using the service between April and July
- 94% of customers are either satisfied or very satisfied
- Less than 2% needed additional help



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Drawing a line under paper!

- Converting all HMRC forms into mobile and tablet-friendly digital iForms
- 300 iForms published since April
- Autumn: begin to move from print & post to submit, and partial save & retrieve
- All of the remaining HMRC forms will be converted by the end of this year
- Internally, teams in HMRC have started working post that has been scanned and converted to a digital format



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HMRC's Digital Exemplars

The 4 Digital Exemplars

15 [PAYE for employees](#) **BETA** PUBLIC

If you want to check or update your PAYE status you'll be able to do it online, and see the effect on the tax you pay

41m

Registered PAYE employees



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16 [Digital self-assessment](#) **BETA** PUBLIC

If you're registered for self-assessment you'll be able to manage your tax with a fully digital service, without any more confusing paper correspondence

10m

Registered for self-assessment



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17 [Your tax account](#) **BETA** PUBLIC

If you run a business you'll be able to check how much tax you owe, learn about what you can and can't claim, and pay your tax — all in one place

4.9m

Small and medium enterprises - SMEs



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18 [Agent online self-serve](#) **ALPHA**

If you're a tax agent you'll be able to fully manage your clients' tax with a simple online service

44k

Tax agent firms



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PAYE for Employees

PAYE Online

- The first online service for 41 million individuals within PAYE
- 60 million calls, annually, to HMRC's contact centres
 - 13.9m PAYE-related
 - 4-5m of these are to query tax code
 - 16% of these relate to car / van, fuel and medical benefits
 - Costing customers £5 per call and HMRC £6 per call (longer calls)
- A *Private Beta* is currently underway enabling customers to make changes to car and car fuel benefits
- Shift balance of the relationship away from the employer and on to HMRC
- We will move into *Public Beta* later this year.





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Your Tax Account

Your Tax Account - business

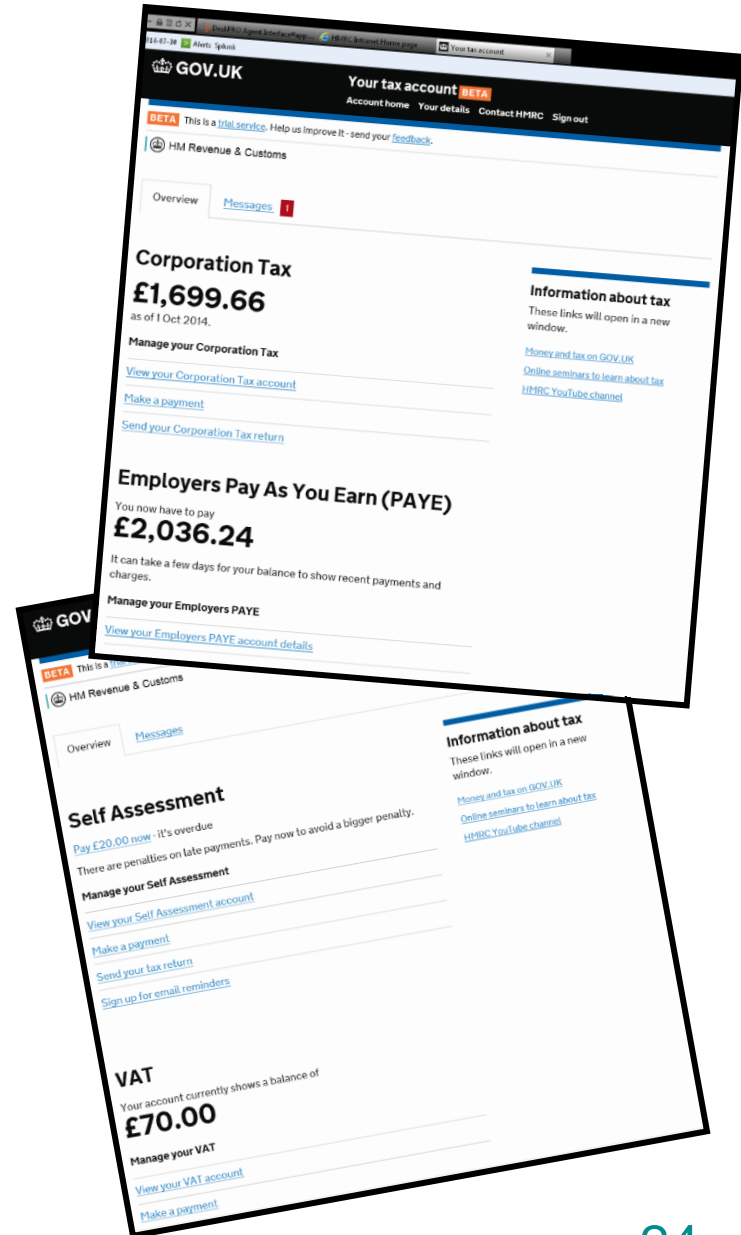
470k customers currently (mainly SA only customers)

We are expecting this to grow towards 2m by the end of March 2015

New features delivered within YTA by March 2015:

- Simplified online payments
- Time To Pay
- Tax calendar/to-do list functionality

Further ahead, we expect to have the majority of the 5m SME business customers within YTA by March 2016



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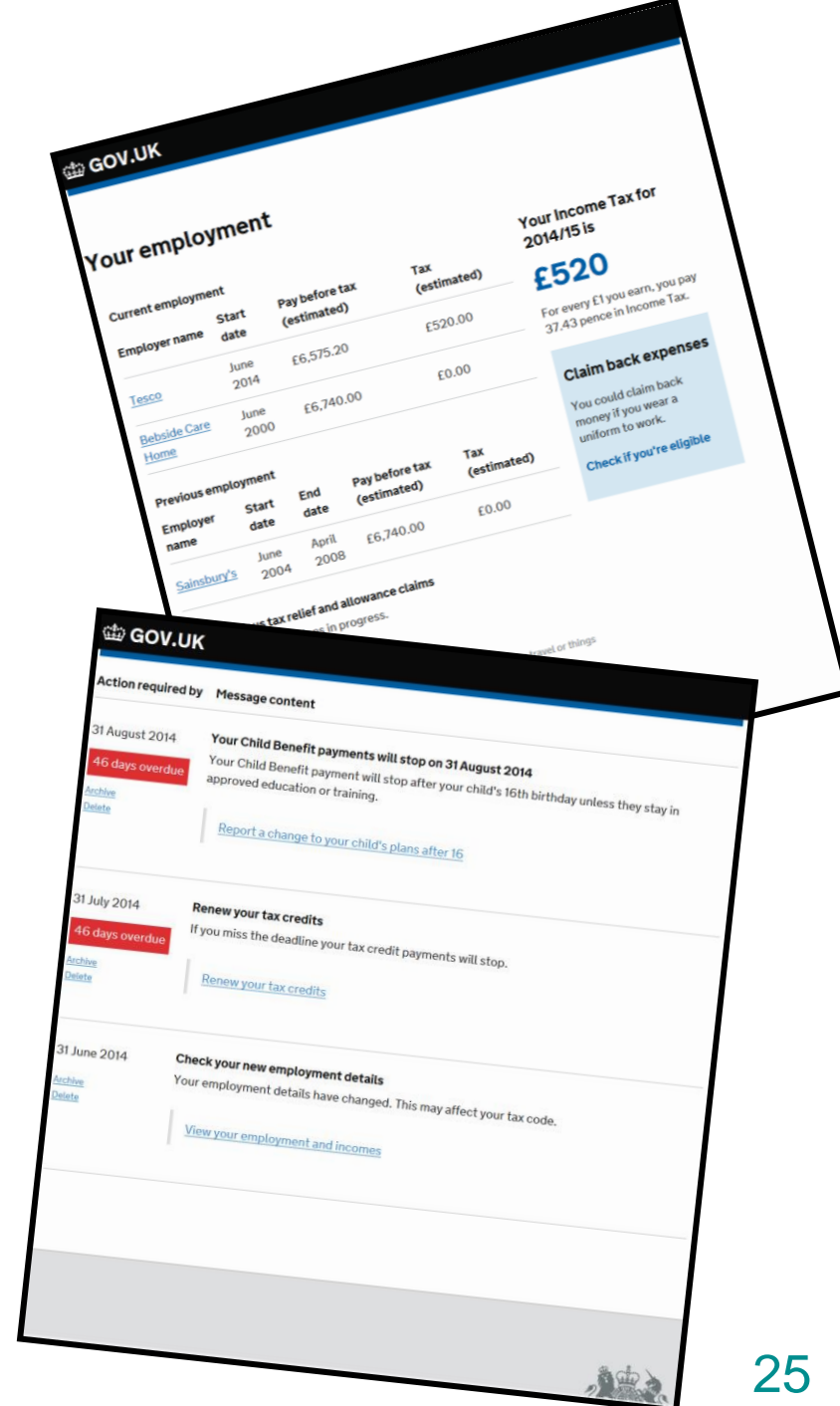
Your Tax Account - consumers

Will bring together information about customers' taxes and benefits and credits at a single point

Simply presented and easy-to-understand, it will include:

- Summaries of a customer's tax information
- The opportunity to dive into more of the detail as needed
- Access to all the services the customer will need to keep their information up-to-date

When we first launch it during 2015 it will contain a simple range of information - but that will steadily expand



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Sign up for Self Assessment email reminders

Soon you can get emails reminding you when:

- Self Assessment tax returns are due
- Self Assessment payments are due
- Self Assessment penalties are due
- new Self Assessment tax statements are online

What you need to know

The emails will replace the Self Assessment letters you currently get from HM Revenue and Customs.

The emails will ask you to sign in to your tax account and check for updates.

They're secure and will never include any information about your personal tax affairs.

When the service starts, do you want to get Self Assessment reminders by email?

☒ Yes, I want to get Self Assessment reminders by email

Email address

Confirm email address

By signing up for Self Assessment email reminders you accept the [terms and conditions](#).

☐ No, I want to continue getting Self Assessment reminders by post

Continue

[Do you need help with this page?](#)



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BETA This is a [trial service](#). Help us improve it - send your [feedback](#).

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Overview

[Messages](#)

Self Assessment

[Pay £2.40 now](#) - it's overdue

There are penalties on late payments. Pay now to avoid a bigger penalty.

Send your 2013 to 2014 tax return:

- on paper by 31 Oct 2014
- [online by 31 Jan 2015](#)

Manage your Self Assessment

[View your Self Assessment account](#)

[Make a payment](#)

[Send your tax return](#)

Information about tax

These links will open in a new window.

[Money and tax on GOV.UK](#)

[Online seminars to learn about tax](#)

[HMRC YouTube channel](#)

BETA This is a trial service - your [feedback](#) will help improve it.

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Geoff, you last signed in 10:42am, Tuesday 28 January 2014

[Home](#)[Your details](#)[Messages](#) **1 unread**

Your taxes

Self Assessment

- [Tax return was due 31 January 2015](#) **Overdue and accruing penalties**

Your penalty is going up by £10 per day, currently £230.00.
To stop penalties accruing you need to complete your tax return.

[Complete your tax return](#)

Your Self Assessment account

VAT

- [VAT return due by 20 October 2014](#) **19 days left**

[Start VAT return](#)

Your VAT account

Manage more taxes online

[Stop managing](#) a tax online

- [Other taxes you can manage online](#)



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Agent Online Self-Serve [AOSS]

Agents – Setting the scene

- Tax agents:
 - play a very important role within the tax system
 - represent c8m customers in their tax affairs
 - help to reduce HMRC's workload
 - encourage voluntary compliance and help to reduce errors
- AOSS will enable HMRC to segment agents and differentiate access to services
- HMRC will design all future digital services with agents in mind



What will AOSS provide for you as agents?

- A new digital registration service enabling you to deal with HMRC across a range of taxes
- A secure process that will help to protect you, your clients and HMRC from fraudulent activity
- A new, improved authorisation process allowing you quickly to identify yourself and tell HMRC when you take on a new client
- Information about your clients and services in one place
- The ability for you to tailor the information you see about your clients
- A single access point for client services, even if you act for them for more than one type of tax
- Access to other digital services as they are introduced



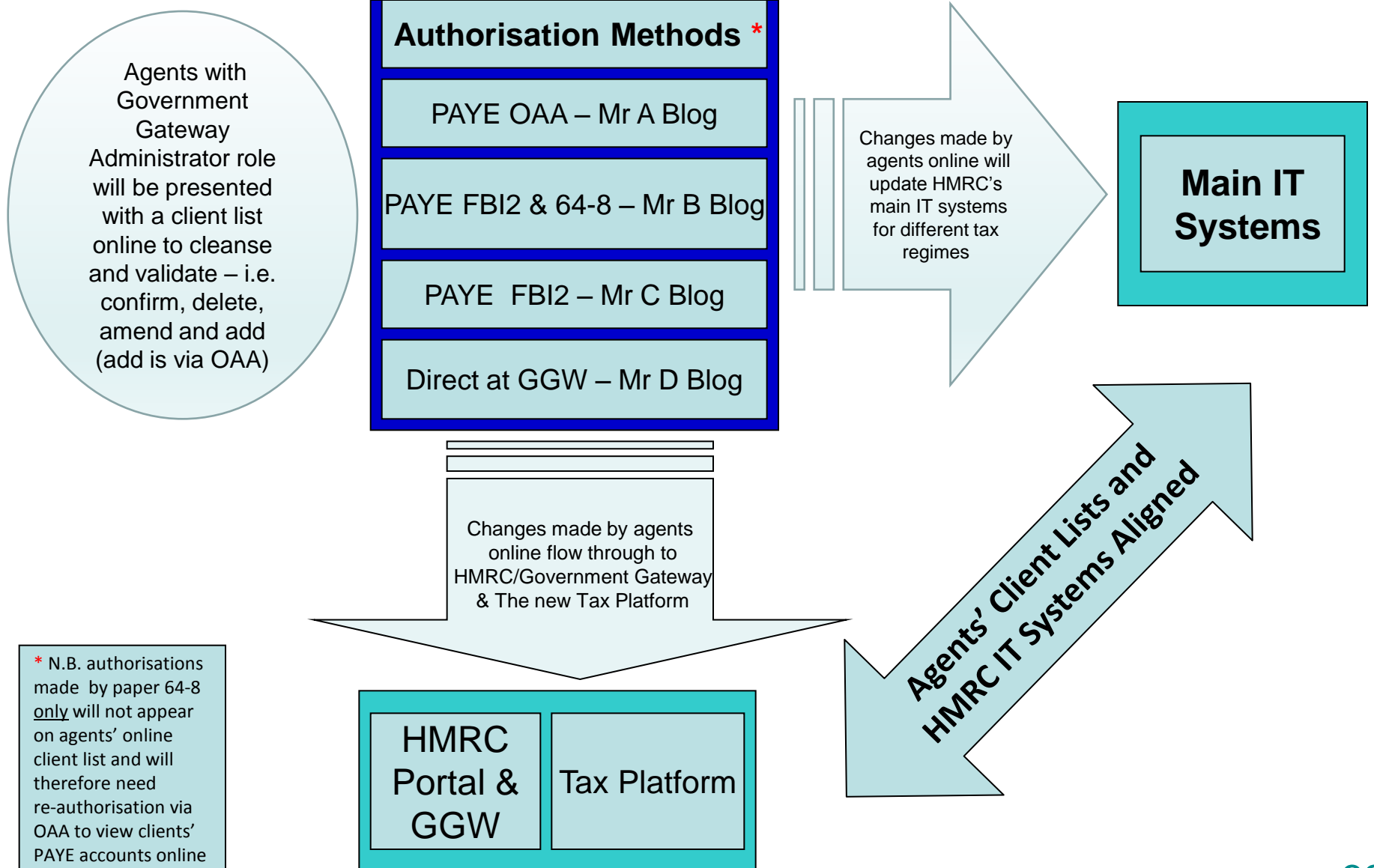
AOSS – Project Progress

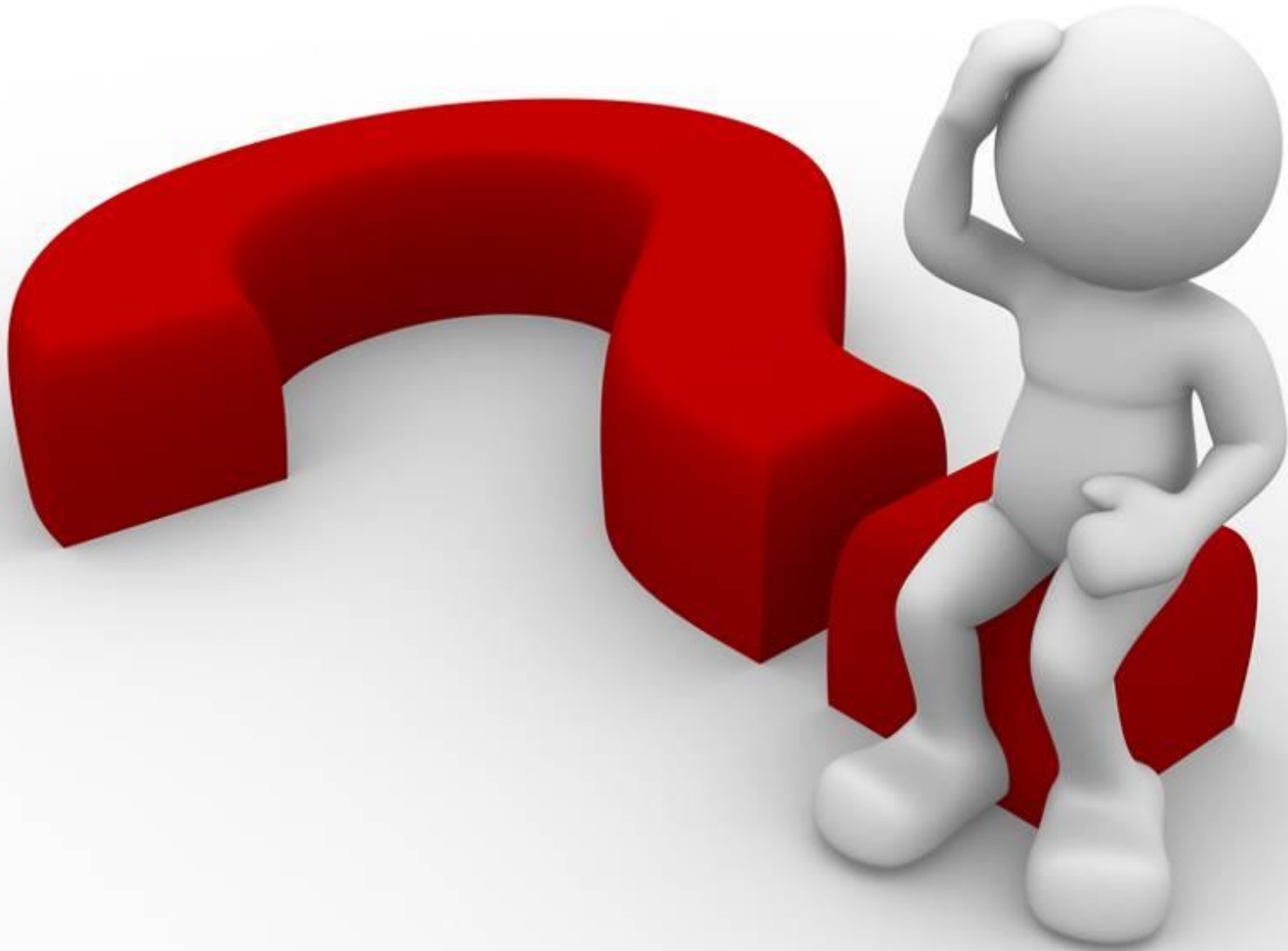
The Alpha phase of AOSS ended on 22 October. We collected a wealth of data, which we're still analysing. The **key outputs** are:

- You want us to prioritise 'View a client's PAYE account' – so that's what we're doing
- Understanding the technical challenges to align data from multiple systems
- Solution using Government Gateway
- Qualitative & quantitative information to inform the scale/timing of the beta services
- Selection criteria for beta service volunteers – let us know if you're interested!



Proposed AOSS Cleanse and Validate Process for Private Beta







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Thank you!