

HANDING OVER

Paul Aplin reflects on the achievements of the last two years

Back in March 2007, a month or so before I took over the chairmanship, I chatted with Francesca Lagerberg the outgoing chairman about the two years ahead. I'd tried to anticipate the themes that would dominate the tax agenda and wondered if Francesca had any advice to offer. She paused and, with a wry smile, said 'you certainly need a strategy, but as soon as you take over, something totally unexpected will come up and wreck your plan'. How right she was ...

A Chairman's task

I knew that the role would be demanding but I seriously underestimated the time commitment. The Chairman is an ex officio member of the ICAEW Council (7 meetings a year), attends Technical Strategy Board (5 meetings a year), Tax Faculty Committee (4 meetings a year) and the management team (12 meetings a year); then there is the Technical Committee, the Practitioner Tax Committee, HMRC's Agents and Advisers Steering Group and other regular HMRC meetings adding another score of meetings a year. On top of that there are the ad hoc meetings with HM Treasury, HMRC, Ministers and the Shadow Treasury teams, attendance at HMRC's Administrative Burdens Advisory Board and, for me, monthly meetings with HMRC's Carter Project team. And then of course there are the dinners, receptions, conferences and innumerable emails. As I am based in Somerset, First Great Western has done rather well out of the past two years.

Notwithstanding all this, as Chairman you still have to make time to set and steer a course. Some people favour a very high public profile and others find that working quietly behind the scenes is more effective. It is largely a matter of personal style. Personally, I favour the second approach, though on occasion I have found that the power of the press can be harnessed very effectively. The thing that matters most is getting results.

HMRC

I have written often about HMRC's service standards and I find it unutterably frustrating that we are still experiencing unacceptable levels of service despite all we have done. We have pursued a deliberate policy of engaging with HMRC to try to get our message across at the highest level. We have made our case through Working Together and we have talked direct to HMRC's Chairman, Director General, the Permanent Secretary and others at Board and Director level. We have given evidence to Parliamentary committees and briefed MPs. We have conducted surveys and submitted written representations. We have talked with Ministers. We have taken practitioners into an HMRC Board meeting and offered Board members the opportunity to spend time in practitioners' offices. We have achieved some successes, but we will have to continue the battle for some time yet.

Turning to the relationship with HMRC, the current service standards have undoubtedly undermined it, though the access we have to the department's top people and the candour with which we can talk to them has probably never been better. Without that relationship I believe things would be even worse. But there is another aspect to this. In September 2006 the OECD Forum on Tax Administration launched a study on the role of intermediaries. My suspicion at the time was that influential people within HMRC favoured regulation of the tax profession and we fought behind the scenes to persuade the study team that agents were vital to the efficient operation of the tax system. We succeeded and the final report was very positive about our role. The spectre of regulation has now raised its head again, in the Working with Agents consultation document issued on Budget Day. Although HMRC says in the paper that it does not wish to regulate the tax profession, there are a number of points that concern us and we will work to ensure that the final outcome is sensible.

We have devoted much time to HMRC's new powers. Francesca Lagerberg has been heavily involved throughout the consultation and design process and now that the powers are in place I will be representing the Faculty on the Powers Implementation Oversight Forum, which will report to the Minister. In November 2008, Jonathan Schwarz delivered a brilliant Hardman Lecture on the issue, which had also been the subject of the Wyman Debate that summer. Our work here is far from finished.

Engaging with practitioners

Last year we launched the Practitioner Tax Committee, to reach out to the tax committees and Working Together groups that exist within the District Societies to better understand their issues and to communicate what the Faculty is doing about them. Good progress has been made. The committee is our link with the national Working Together Steering Group and our representatives now take part in a weekly conference call with committee members and Faculty staff to pick up on current issues. We have more to do but, building on work over many years by Susan Gompels, Richard Shooter and others, we have reinforced our commitment to and engagement in Working Together.

Simplification and policy

Tax simplification is something we have to strive for, even though it often seems like an unattainable goal. Mike Truman delivered an excellent Hardman Lecture on the topic in November 2007 and we asked a number of previous Hardman speakers to give their views in *TAXline*. We have pushed the issue with Ministers and politicians and we hosted Lord Howe's launch of his proposals for simplification in July 2008. Only Ministers can effect the necessary change: our task is to keep the issue on their radar.

We have fundamentally changed the way we work on policy. Two years ago most of our effort was directed at producing formal written representations, reacting to Budget announcements and Finance Bill clauses or formal consultations. This was and still is a vital part of what we do. We decided, however, that to achieve greater influence, we had to engage more at the very

top of HMRC, HM Treasury and with Ministers, and work with policy-makers while they were formulating policy rather than after it had been formed. Before that change of direction we had never had an opportunity to discuss our Finance Bill representations with a Minister. Over the past 18 months we have had around 10 meetings with Ministers. We also have regular meetings with the Conservative and Liberal Democrat Shadow Treasury teams. We always make it clear that we do not brief on party political lines but in accordance with the public interest obligation contained in the ICAEW's Royal Charter. That impartiality gives us huge credibility. I cannot overstate the importance of this change in our approach.

Services to members

Last year we relaunched *TAXline* as a full colour publication and this year we launched a new online information service, which enables us to post news as frequently as we wish rather than being tied to a weekly update. It also provides us with the scope to explore new ways of connecting with members. This year we even experimented with Twitter on Budget Day. Tax Club, our younger members' discussion group, goes from strength to strength, attracting top speakers to its monthly London meetings, and it has now extended beyond London. And the Faculty's reserves are stronger than they were two years ago.

Moving on

I feel incredibly lucky to have worked with such an amazing group of people – particularly Francesca, Frank Haskew and Chris Sanger – and privileged to have had the opportunity to be Chairman. The Tax Faculty Team is simply the best in the business.

I won't be dropping out of the picture completely. I will support Chris and the team in whatever way I can and I have been co-opted back onto the ICAEW Council for two years to help maintain our contacts with HMRC, HM Treasury and policy-makers.

Don't sell your First Great Western shares just yet ...

Paul Aplin is Chairman of the Tax Faculty (due to stand down at the AGM in June) and a partner at AC Mole & Sons