18 September 2026

James Murray MP

Financial Secretary to the Treasury and Chair of the HMRC Board
By email: Action.FST@HMTreasury.gov.uk

30 Monck Street
London
SW1P 2A

T : 020 7340 0551
E : info@att.org.uk
W : www.att.org.uk

Dear Minister,

I'm writing to you on behalf of The Association of Taxation Technicians (ATT) to set out some concerns regarding HMRC's recent approach to public consultations. Increasingly, consultations have set out fairly advanced proposals, and sought input on how to make the proposed measures work. However, external stakeholders such as the ATT can be more valuable if we are involved in considering early-stage policy options, rather than being invited to comment on the implementation of a single chosen policy option.

ATT is a charity and the leading professional body for those providing UK tax compliance services. A significant part of our work involves contributing to consultations on developments in the UK tax system, drawing on the practical experience and knowledge of our 10,000+ members. Our aim in responding to consultations is to help to build a tax system which is workable and as fair as possible for the general public. We are politically neutral in our work, with our engagement on tax issues driven solely by the public interest.

Numerous consultations and calls for evidence were published this summer – fourteen at Tax Update Day[1] and a further four at Legislation Day[2]. The volume and breadth of consultations issued indicates the value to HMRC and wider government of obtaining external perspectives when developing tax policy and services.

However, we are concerned that several of this summer's consultations were issued too late in the policy-making process to meaningfully influence possible reforms. External stakeholders can deliver more value to HMRC and government if they are involved from the start of this process – working to identify the key problem and coming up with potential options to address it, rather than being asked to assist with implementing a measure which has already been decided on.

One particular example was the consultation on timely payment for income tax self-assessment [3] (ITSA), which covered both ITSA-only taxpayers and those with PAYE income as well as ITSA sources. Proposed changes for the latter population had, by the time the consultation was issued, effectively been decided on already ("ITSA taxpayers paying through PAYE **will be affected** by the announced

[1] https://www.gov.uk/government/collections/taxupdate-2026-simplification-modernisation-and-fairness
[2] https://www.gov.uk/government/collections/finance-bill-2026-27-draft-legislation-and-technical-tax-documents#supplementary-documents
[3] https://www.gov.uk/government/consultations/timely-payments-in-income-tax-self-assessment/timely-payments-in-income-tax-self-assessment-itsa

changes”). This contrasts with proposals for ITSA-only taxpayers who, according to the consultation, “**could be affected** if timely payment changes are introduced”. Emphasis has been added, but the changes for taxpayers with PAYE *and* ITSA income appear to have been largely decided on before the consultation was published, with the consultation limited to seeking ideas on how to ease various resulting issues. By the time external stakeholders saw these proposals, it appeared they could do little to alter them or suggest improvements. By contrast, the aspects of the consultation dealing with ITSA-only taxpayers offered much more scope for respondents to influence possible changes.

Other recent examples of consultations published with policy ideas apparently already largely decided before external engagement took place included those on Requiring payment of VAT and PAYE by direct debit[4] and Proposals to tackle lower value tax debts[5]. Both set out proposed measures to address a perceived problem but offered limited opportunity to consider or suggest alternative options. In both cases, the ATT observed that an initial step of trying to better understand and articulate the cause of the underlying problem could have resulted in more targeted and appropriate policy measures.

The latter two consultations were issued at Stage 2 of the Tax Consultation Framework[6] (“Determining the best option and developing a framework for implementation including detailed policy design”) despite no apparent prior external engagement. While the consultation documents stated that responses would inform whether and how the proposals were taken forward, including the development of legislation and operational design, the consultation questions were primarily focused on refining specific proposed measures rather than considering alternative solutions.

Both could have benefited from external discussion at Stage 1 (“Setting out objectives and identifying options”) to help consider alternative ways to address each issue.

We note that the Tax Consultation Framework was withdrawn in October 2025, Nevertheless, we believe obtaining external input at the stage of identifying objectives and options is of vital importance in designing tax policy. Recent examples of where early-stage external collaboration has been productive include:

- Making Tax Digital - co-creation with professional bodies and software developers – informal discussion helped to simplify the regime and its compliance requirements
- E-Invoicing roundtables – engaging with external stakeholders including industry representatives is helping to shape the policy ahead of publishing a roadmap
- HMRC’s Enabling Multiple Agents work – external perspectives are helping to refine the required roles and permissions based on real-life scenarios in professional practices

We note that the joint letter[7] to ministers of 7 September indicates a desire in government to cut down on formal consultations where they are not deemed necessary.

We cautiously welcome the idea in the letter that “the best approach will be more participatory policymaking. Involving a wider range of people in shaping our thinking earlier and more directly”.

---

[4] https://www.gov.uk/government/consultations/requiring-paymentof-vat-and-paye-return-liabilitiesbydirect-debit/requiring-payment-of-vat-and-paye-direct-debit--2

[5] https://www.gov.uk/government/consultations/tackling-lower-value-tax-debts/proposals-to-tackle-lower-value-tax-debts

[6] https://www.gov.uk/government/publications/tax-consultation-framework

[7] https://www.gov.uk/government/publications/the-simplification-and-agency-of-government-letter-to-all-ministers

This could address recent perceived shortcomings of the formal consultation process in terms of involving external stakeholders too late in the day.

However, the joint letter also stresses the importance of hearing “from those whose perspectives are most relevant to the issue under consideration”. If a formal public consultation process is no longer the default position, the importance of seeking input from a suitably broad and relevant spectrum of external stakeholders cannot be underestimated. We urge HMRC and the Government to engage with appropriate third parties, including professional bodies such as the ATT, at the earliest possible stage when considering tax policy.

Finally, reducing the volume of formally published consultations will create new challenges in ensuring that “those whose perspectives are most relevant to the issue under consideration” are known to HMRC (or other government departments, as applicable), are made aware of any proposed reforms, invited to participate in early discussions, and are apprised of the relevant information at all stages. Ensuring a suitable breadth of external input, bespoke to each policy, will be much more challenging if consultations are not publicised. Failure to obtain sufficient relevant external input risks creating suboptimal tax policy, with resulting negative consequences for taxpayers, HMRC and the Exchequer.

The possible implications of the recent letter to ministers were discussed at the HMRC Stakeholder Conference on 10 September, which gave some reassurance that HMRC will endeavour to continue engaging with relevant third parties who can help to design effective tax policy and processes. However, we would encourage HMRC to ensure this is put into practice and carefully monitored.

We would be happy to meet with you to discuss the above.

Yours sincerely,

Emma Rawson OBE

Director of Public Policy, Association of Taxation Technicians

Cc: JP Marks, HMRC Chief Executive and Permanent Secretary