

# Spring Bulletin 2023

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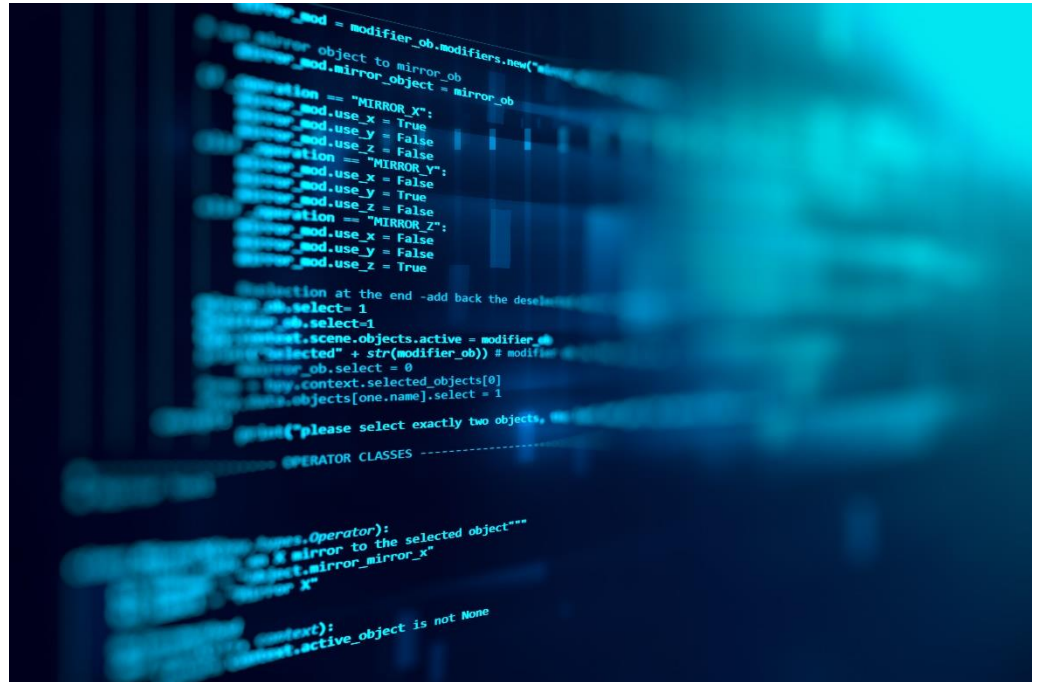
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## Message from the CEO

- **Kevin Hart, CEO and Executive  
Chair, BASDA**

Welcome to the BASDA Spring 2023 Bulletin. I hope that you, your friends, family and colleagues are well, and that spring is providing some cause for optimism.

Working with and on behalf of our members, BASDA continues to engage with our key external stakeholders as we seek to further broaden and deepen our engagement with Government and other key parties that are important to you. Regular, senior dialogue is in place with HMRC and DWP along with others such as Payments' regulators, enabling BASDA to be at the forefront in leading and

influencing policy and resultant implementation.

To that end, we invest heavily in establishing and nurturing relationships with the key people in the right roles, as such engagements are critical here.

Our Specialist Interest Groups (SIGs) focus upon key areas that are important to our members, and updates from each follow this section. We have also just introduced a couple of new working parties (WPs) – these differ [from SIGs] in that their subject matter is often time bound and may span multiple SIGs. The two are:

[DWP Self-Employed WP](#) – exploring how we can harness ITSA-based products to include pensions (and, potentially, other relevant savings opportunities) for the

significant number of self-employed who are not contributing to a pension.

Transforming Agent Authorisation WP – working with HMRC in digitising client onboarding and management – in conjunction with our members' relevant tax and practice management software.

Another relatively fast-emerging area is that of payments and enabling such to be made from our software - especially in regard to various HMRC taxes. We are in deep discussion with HMRC and the Payments regulator in order to ensure software development is fit-for-purpose. This work is being progressed via the Payments and AiP SIGs.

We look forward to progressing and sharing more on these subjects in our next bulletin; meanwhile, look out for opportunities to get engaged here (and in some cases, via a SIG).

To maximise the benefits of your subscription, I would encourage you to engage with your relevant BASDA SIGs and WPs, who champion the key issues that are impacting our collective businesses. The Chairperson of each SIG has contributed to this Bulletin and provided an update allowing you to see first-hand the scope and progress of activities they are covering. If you haven't yet signed up to be part of a SIG or WP and would like to participate, just drop an email to [marketing@basda.org](mailto:marketing@basda.org).

Our Senior Leadership Development Forum had to pause shortly later last year due to the huge issues with MTD ITSA (see below) and the impending delay announcement. We have recently restarted the key initial areas flagged by the forum (Trusted Partner Status and Free MTD ITSA software) and members will be consulted as to their broader, key strategic topics and so drive this forum's priorities.

If you missed my sharing of the MTD ITSA issues and all we did to escalate and progress these key matters, please see

the link below to our Winter Bulletin where I cover such in my report.

### [Read the Winter Bulletin](#)

HMRC's directorate have committed to working extremely closely with BASDA and its members, as it has seen what we can achieve in a truly collaborative manner – understanding what good really looks like and pushing the boundaries to explore options to issues.

They are also continually being made aware – by myself and others – of the damage inflicted by the further MTD delays upon our industry and the knock-on impacts – including much lower inclination by many to engage with HMRC on various fronts.

Our commitment hasn't waned. In fact, it has grown even greater as we fully understand that many of our members will need to focus on other revenues-earning opportunities over the next 2-4 years, given the lack of expected commercial opportunity re. MTD.

I am also working 'from the inside' as I was appointed – confidentially – to the MTD Programme Board at the beginning of this year. I am the only software developer representative attending all boards and with access to all supporting inputs. This provides me with a great opportunity to not only understand matters in detail but to also educate, shape and challenge the strategy, this programme, and the multi-faceted board members on behalf of BASDA.

I have also represented members in the initial co-creation workshops in order to ensure the right focus and considerations that we understand will deliver the best outcome for our members and their customers.

Rest assured, we will do our utmost to streamline any HMRC-related overheads

for all our members and are committed in our focus in contributing significantly to get ITSA in good shape for all stakeholders involved here.

Do ensure that you/your right teams are engaged in our 'Accountants in Practice' (AiP) SIG to take full advantage of this, and feel free to reach out to our SIG chairperson, Vice Chairperson or myself if we can help you any further here.



### **Specialist Interest Group (SIG) - Updates**



SIGs are key to our value proposition and therefore selecting which one/s are best for you and your colleagues to actively engage in will significantly help ensure that you and your business derive optimum value from your BASDA membership.

BASDA are committed to talent development. Membership of our groups directly supports people and professional development. Whether you are interested in taking a more active leadership role on any of the SIGs listed or simply wish to join and participate in a

SIG or WP, please email [marketing@basda.org](mailto:marketing@basda.org) for more information.

Here follows our SIG updates:

#### **Ability SIG**

Pauline Green, Chairperson

***'To demonstrate commitment to a broader inclusivity agenda across the wider software industry.'***

In February, we held our second "Lunch and Learn" webinar in collaboration with [AbilityNet](https://www.abilitynet.org.uk/), where we focused on the subject of inclusivity relating to physical challenges. I was joined by Alex Barker and Lizi Green from AbilityNet.

Alex shared the daily barriers he encounters with all types of software and described how simple adjustments and considerations can make a world of difference. Such adjustments can be as straightforward as using existing assistive technology but, as critical, is the importance of designing and developing business software that is inclusive from day 1. It is more often easier to build it at design stage rather than trying to retrofit solutions.

Whilst there are lots of bespoke assistive technologies out there, international software providers such as Microsoft and Google have open and free software that is available. You can utilise these into your own software development, or alternatively look at assistive technologies such as Dragon which can help those who struggle with reading and writing. Don't forget that having accessible software can also benefit all your users. How many times do you see people on noisy trains watching YouTube with subtitles on?

If you are interested in learning more from individuals with lived experience of disabilities, AbilityNet run a series of Don't Disable Me training courses, which

uncover the common issues that disabled people encounter at work, in study and day-to-day life.

The greater awareness we can create within our own organisations, the easier it will be for our organisation not only to be able to expand our own talent pool but also our potential customer base.

Please feel free to share information about our Ability SIG with your colleagues and encourage them to join. The more members of an organisation that see the challenges and indeed the opportunities around abilities, the better your organisation will be placed to solve them.

Our next 'Lunch and Learn' webinar with AbilityNet is scheduled for 25<sup>th</sup> May and will cover the subject of Mental Health. This will be open to all – not just members of the Ability SIG so please invite other members of your company along. To register please email [marketing@basda.org](mailto:marketing@basda.org) and details will be sent to you. Later in the year we will look to have a 'Lunch and Learn' session focused on vision impairment.

### **Accountants in Practice (AiP) SIG**

Stuart Miller, Chairperson

***'To bring together software developers, accountants and accountancy bodies, and representatives from the regulatory bodies such as HMRC, Cabinet Office, Companies House and even MPs to drive better, fit-for-purpose outcomes for all users. This also includes all our MTD work.'***

Firstly, I would like to take the opportunity to thank Richard Creedon for the incredible work he has undertaken in his role as Vice Chairperson of the AiP SIG. Richard's diligence, attention to detail and enthusiasm has been invaluable to the SIG and represented our member's views in discussions with HMRC.

Richard will now be leading BASDA's initiatives with The Department of Works & Pensions (DWP) and I'm sure you will all join me in wishing Richard all the best with his new role in BASDA.

In March, Kevin Sefton, Co-Founder of our member Untied, was appointed Vice Chairperson of the AiP SIG.

### **MTD for ITSA**

As expected, the majority of the AiP SIG's focus has been on MTD for ITSA. This has included hosting a number of sessions with our members to identify key blockers to the MTD for ITSA program and reporting these issues collectively to HMRC in our efforts to steer the ship in the right direction.

Regrettably, it was announced on 19 December 2022 that MTD for ITSA would be delayed until April 2026 along with changes to the thresholds. Along with BASDA CEO & Executive Chairperson, Kevin Hart, we have been working closely with HMRC as part of their initial co-creation workshops and encouraging them to identify where the program has faltered to date to ensure we have a fighting chance to deliver on the updated April 2026 timeline.

We have insisted that a BASDA member attends all co-creation workshops with HMRC as they will only be inviting 5 software vendors to each session. This allows us to ensure the collective views of all SIG and BASDA members are represented at these sessions. We will then provide feedback on these HMRC sessions through the SIG fora.

### **Plans for the next quarter**

Whilst the majority of our focus has been on MTD for ITSA, there are some additional key initiatives that the SIG will be focusing on, specifically Trusted



Advisor Status and Payments from Software.

Trusted Advisor Status has been a topic BASDA has been pushing with HMRC for a long time. With an increased reliance on software for accountants there needs to be a way for vendors and HMRC to discuss technical issues regarding submissions. We have seen an increase in the number of issues that members have had when there has been a technical issue and HMRC have told the accountant 'it is an issue with your software supplier' without investigating. This leaves accountants having to jump backwards and forwards between HMRC and their software vendor to attempt to resolve these issues. We will shortly be asking for members to provide feedback on any recent issues they have had regarding such experiences and seek to engage HMRC further on this topic.

HMRC have also approached BASDA to discuss tax payments being made directly from software and the appetite for software vendors to build this in. This concept follows the general direction of travel from OECD Tax Administration 3.0 along with success stories of other tax agencies globally. We intend to invite HMRC to discuss this topic with AiP SIG members in the near future and encourage you to attend and help shape this initiative.

### **Construction SIG**

Liam Tumulty, Chairperson

***'To maintain close links with decision making processes within government that affect the delivery of construction software, and wherever possible, influence the implementation of policy.'***

The Construction SIG focuses on statutory compliance areas including Construction Industry Scheme (CIS) tax, CITB levy and VAT for construction businesses, liaising

with HMRC and others as necessary for the benefit of members.

### **Sustainability, Green and Carbon reporting requirements**

Sustainability Green and Carbon reporting is a growing area of interest to regulators, stakeholders and consumers. Many of the requirements are mandatory for large organisations where information about their environmental, social, and governance (ESG) must be disclosed. The construction industry is of specific interest given its large footprint.

While not mandatory for small organisations, many will find maintaining and capturing the data useful for various reasons, including requests from larger customers or grant applications. Many small and socially responsible organisations will be required to capture environmental and social impact information. Software developers will need to plan and develop for this growing area and, likewise, ensure customers have the ability to capture and report relevant information for stakeholders.

Green and sustainability reports are useful for a wide range of stakeholders involved in the construction industry, including:

1. Organisation's (software customers) can use sustainability reports to assess and improve their sustainability performance. Capturing and reporting can help them identify areas where they can reduce waste, energy consumption and greenhouse gas emissions, while also improving their social and economic impacts.
2. Backers and sponsors can use sustainability and green reports to evaluate the sustainability performance of, for example, construction companies and make informed decisions about where to invest their money. Sustainability reports can provide valuable information about a company's

environmental, social, and governance (ESG) practices, which in turn can help investors assess the long-term risks and opportunities associated with their investments.

3. Provides valuable information about a company's sustainability practices, which can be used to encourage more sustainable and socially responsible practices – this is of particular interest to construction companies.
4. Consumers increasingly use sustainability reports to make informed purchasing decisions. For construction projects sustainability reports can provide information about the environmental and social impacts, which help consumers choose products and services that align with their values.

Software developers should be aware of key reporting measurements when designing future requirements. The units of measurement (UoM) required for green reporting may vary depending on the specific indicators being reported. However, some common units of measurement used in green reporting include:

1. The unit of measurement for energy is typically kilowatt-hours (kWh) or British thermal units (BTUs).
2. The unit of measurement for water is typically cubic meters.
3. The unit of measurement for greenhouse gas emissions is typically metric tons of carbon dioxide equivalent (CO<sub>2</sub>e).
4. The unit of measurement for waste is typically tons or kilograms.
5. unit of measurement for renewable energy is typically megawatt-hours (MWh) or gigawatt-hours (GWh).
6. Fleet fuel consumption can be recorded by type in in litres and Kilometres.

It is important for software providers and their clients to use consistent and standardised units of measurement in their green sustainability reporting to ensure comparability and transparency. Including unit pricing will assist customers understand usage and costs.

Carbon reporting is a process of measuring and reporting an organisation's greenhouse gas emissions and other environmental impacts.

### **HMRC Update MTD - Construction Industry Scheme**

The last Construction Forum meeting was held on the 8th of February 2023. HMRC are looking for examples of cases where delays as a result of HMRC processes caused cash flow issues for small businesses as well as examples of issues with CIS registration process. This will assist CIS HMRC policy to address the issue raised with our colleagues in Operational Excellence and PT Operations and consider a suitable solution if necessary.

Please forward any examples you may have to me at [marketing@basda.org](mailto:marketing@basda.org).

### **Payroll, Pensions & HR SIG**

Pauline Green, Chairperson

***'To provide effective collaboration and engagement between members and all stakeholders across government (inc. HMRC, DWP) and wider, similar groups to drive better, fit-for-purpose outcomes for all users.'***

The Chairperson of the Payroll, Pension, and HR SIG, Pauline Green, attended on behalf of BASDA at the quarterly Employment and Payroll Group (EPG) in March.

This EPG meeting included the following topics for discussion:

- 1. Extended Self-serve Time to Pay (ESSTP).** A representative from HMRC Transformation & Debt Management explained what self-serve time to pay was. In summary, at high-level:
  - a. Qualification to use this includes being an Employer PAYE customer, debt less than 35 days old and less

than £15k in values and no other debts or payment plans in place.

- b. The Employer can set-up the payment plan online instead of contacting HMRC via the phone
2. **Mandating the P11D + P11D(b) online service.** There was a good discussion on the changes being made, including software providers not being given sufficient schema details.
3. **Understanding starter / leaver processes.** HMRC Customer Insight Lead, Behaviour, Insight & Research Team asked for feedback on the starter/leaver process to improve the operation of correct tax codes. I suggested using API's as HMRC should have the correct information and can provide the information to payroll software. I have recommended that further discussion on this takes place.
4. **The Pensions Regulator (TPR) - Preparing for pensions dashboards.** In case you are not aware the pension dashboard project has been delayed but TPR did outline their planned approach to comms and engagement which will follow a similar format to that undertaken with workplace pensions. That is a risk-based approach.
5. **Simplifying employer deductions.** The team shared more information for how they are trying to speed up Child Maintenance payments being made to the relevant parties. Also had an update regarding the BACS field #10
6. **NINO wallet journey.** Regrettably, we ran out of time to discuss this but propose that this will be discussed at a later meeting.

You can find previous minutes to all EPG meetings [here](#). If you have any questions that you would like us to raise at future EPG meetings then please send them over.

In addition, I trust you all received the notification of the changes for the 2023-24 tax year, including the workplace pension requirements.

There have also been updates to the 'Employer's guide to right to work checks' which are available on GOV.UK and can be found [here](#).

The most significant updates relate to:

- Clarification for employers on the use of Identity Document Validation Technology (IDVT) and Identity Service Providers (IDSPs) to support manual document-based and Home Office online checking service right to work checks.
- The use of "Reusable Identities" for checks involving the use of IDSPs (Annex C, Appendix A).
- End of the COVID-19 temporary adjusted checks on 30 September 2022.
- Changes to enable some individuals with an outstanding, in-time application for permission to stay in the UK, or an appeal, or Administrative Review (3C leave) to prove their right to work using the Home Office online checking service. For more information, please refer to this [factsheet](#).
- Confirmation that Re-Admission to the UK (RUK) endorsements are an acceptable document for the purposes of right to work checks (List A, no. 4).
- Information on sponsored work and student categories (Annex B).
- information on short-dated Biometric Residence Permits (BRPs).
- The 'Employment of Ukraine nationals' annex is now solely contained within guidance under Annex D.

Please feel free to communicate this message to your clients, employers, and their representatives.

### **Post-Brexit Working Party**

***'To ensure effective understanding of and engagement with the policy outcomes arising from Brexit - particularly regarding the Northern Ireland Protocol and other such changes resulting from the EU exit.'***

BASDA and the Post-Brexit Working Group continue to monitor NI Protocol developments, particularly after the changes in government leadership and the appointments of Chris Heaton-Harris and Steve Baker to the Northern Ireland Office. BASDA will arrange a webinar when we have information to share with the working group.

We are keen to hear from members with an interest in or experience of Freeports so that we are better able to understand how BASDA can help our members and their customers manage and benefit from the different tax and customs rules that apply. This includes managing the available tax reliefs and simplified customs procedures within a Freeport. Drop an email to [marketing@basda.org](mailto:marketing@basda.org) if you believe you can or would like to help.

### **Annual Summit 2023**

The 2023 BASDA Annual Summit will be held on Thursday, 19<sup>th</sup> October at The

Wellcome Collection, London. The day will be filled with guest speakers discussing the issues that matter most to the software developer industry and the opportunity to network with your peers.

The agenda is currently being finalised and further information on this and how to book will be available shortly.

### **Stronger Together**

Thank you for your ongoing engagement and continued support. Now, more than ever, it is key that we collaborate most effectively as an industry - to the benefit of all. We are **'Stronger Together'**.

Continue to follow us on social channels - BASDA is on LinkedIn and Twitter - for more news, insights and valuable assets about our industry and collective opportunities and achievements.

### **Warmest regards**



**Kevin Hart**

**CEO & Executive Chairperson**