

Meeting: Practice Sector Panel  
Location: Virtual meeting  
Date: 19 October 2023 – 11.00 AM

---

## PRESENT

Carl Reader (Chair), Eriona Bajrakurtaj (Vice Chair), Alex Black, Anthony Brice, Rachael Ball, Theresa Campbell, Steve Collings, Bethan Evans, Barry Gill, Adrian Harris, Greg Houston, Peter Jarman, Graham Parker, Orvil Plummer, Situl Raithatha, James Slatter, Gavin Spencer, Aidan Tucker and Sach Yadav.

## APOLOGIES

Alastair Barlow, Lee Brocklehurst, Nick Le Huray, David Nicholls, James Lizars (ACCA Council member) and Gillian McCreadie (ACCA Council member).

## IN ATTENDANCE

Glenn Collins (Head of Technical & Strategic Engagement, ACCA UK), Melanie Venes (Sectors & Communities Lead, ACCA UK), Fiona MacPhee (Business Development Manager, ACCA UK), Susan Love (Strategic Engagement Lead, ACCA UK) Sophie Hall (Sectors & Communities Manager, ACCA UK) and Pat Delbridge (Sectors & Communities Manager, ACCA UK).

### 1. MARKET INTELLIGENCE – AUTUMN STATEMENT

Glenn Collins – Head of Technical and Strategic Engagement at ACCA UK - provided some insight into the recent Conservative and Labour party conferences. The Chancellor is currently categorising small businesses as those having a turnover of between £50-£200 million, which does not reflect small businesses. Labour was open to suggestions around skills and support and would like to hear more back from accountants. The Government is looking at productivity improvements such as response rates, standards and simplification.

The panel provided insights as to what they would like to see in the Autumn Statement:

- The Enterprise Finance Guarantee scheme needs to get back to normality in terms of Government support rather than Covid support.
- The Government needs to provide a clear vision of how it intends to support small businesses
- We should push forward with Open Finance to improve transparency and visibility and transform processes
- Excessive telephone calls are being received from the marketing company that HMRC uses to get feedback on service levels – they call some practices on a daily basis and even pretend to be HMRC to get through to someone at the practice
- HMRC has taken an aggressive approach to R&D in the 9-18 months. Simplification of the R&D rules or just better guidance on what HMRC would want to see is needed. There have been some recent changes in terms of additional information but their

guidance on what they consider R&D to be makes references to VHSs at one point. So an updated example sheet that business owners can understand would help to take many of the rogue advisers out of the equation and make HMRC's job easier in terms of policing it. It would also help with consistency of knowledge amongst HMRC's R&D officers.

- The responses to R&D claims are currently inconsistent – either a blanket rejection with no follow up, or where you can follow up, some R&D officers are refusing to accept what is clearly R&D. It is becoming increasingly frustrating for practitioners and clients with some clients now taking the view that there's no point in trying to do R&D work anymore.
- HMRC officers are behaving inconsistently in relation to debt chasing - there was a case of an officer who said that a client had to pay £100,000 in taxes due by Friday or else the business would be made bankrupt with initially no room for any other arrangement. An arrangement appeared to have been reached but then the client received a letter saying the business was being put into bankruptcy despite a sizeable deposit having already been made. It automatically went to the next level and the officer there was very understanding and reasonable and agreed to a payment plan but it should not have had to be escalated in the first place
- HMRC has been experimenting over the past six months with closing phone lines, etc but there is no feedback on the success or failure of those experiments. The experiments seem to be ad hoc and do not seem to improve service levels
- Improved pathways to the professions including accountancy to help with the shortage of skills
- The online helpdesk with HMRC is not very useful as it only provides some generic advice (which you could find just by an internet search). If HMRC put more resource into it then it to make more robust and secure to allow agents to talk about client-specific queries then it could release pressure on the phonecalls as many client-specific queries can be solved quite quickly
- The disconnect between HMRC and the debt collection agencies that they use needs to be addressed – HMRC passes a debt over to an agency but the agency will not accept that there is a time to pay agreement in place, and HMRC will not confirm that there is one in place pushing the onus back onto the client to contact HMRC but the phone lines are closed.

The Panel was thanked for its feedback which is used in ACCA's extensive work with HMRC on proposals and different HMRC departments.

## 2. SUPPORT FOR PRACTITIONERS

The panel received updates and figures on various activities that ACCA has undertaken in support of practitioners including:

- Our autumn series of four free technical practitioners on succession planning and employee ownership, tax issues for overseas entities holding UK property, changes to HMRC's tax penalty regime, and what the Economic Crime and Corporate Treasury Bill means for your practice and your clients. You can register for any or all of these webinars at <https://bit.ly/3pQVj1y>.
- ACCA's *Start, Grow, Scale and Sell* practitioner roadshow held in six locations around the country
- A resource aimed at practice owners thinking about their practice exit with be launched in November with case studies of members on how they have shaped their practice exit.

**ACCA's *Find an Accountant* directory**

The panel was asked for its views on ACCA's *Find an Accountant* online directory and whether any improvements are required. It was agreed that the online directory is needed for where financial institutions need to verify a practice's credentials when it comes to mortgage references for example. However members of the public are more likely to be interested in a directory that has reviews of a practice rather than just a name and contact details. If reviews could be incorporated, then that would make the directory more useful. Practices would also like a facility to have a link on their website through to the directory to prove that they are ACCA regulated. There are challenges with the search capability – particularly if a member of the public does a search for an accountant by area and depending on whether the village or town has been put into the field for "City" then the practice may not come up under any searches.

Practices not regulated by ACCA but containing ACCA partners are included in ACCA's directory and those members appreciate being in the directory.

Some practitioners are not aware of the additional information they can include on their practice profiles and how to keep their details up to date.

**Practice continuity agreements**

Some panel members have been approached by other practitioners seeking continuity partners and there is a concern over the approach taken, which is that they just need a signed continuity agreement with another practitioner in order to get a practising certificate. There is little to no appreciation of the due diligence that any potential continuity partner should undertake before signing. Done properly, such due diligence involves a cost which those seeking continuity partners need to understand.

Guidance on the practicalities when considering being a continuity partner would be helpful so that any practice considering entering into a continuity agreement appreciates the need to understand another practice's processes and procedures, the different types of clients they have and their AML. One approach suggested was to look at your willingness to be a continuity partner in the same way that you would look at whether you would want to buy the practice – whether the clients would be a good fit for your practice.

It will be increasingly difficult for non-digitalised practices to find suitable continuity partners going forward.

**3. GOVERNANCE UPDATE**

The panel noted that ACCA's factsheet on *Accounting to clients for remuneration received* had been published after incorporating the Panel's suggested amendments; and that ACCA's new PII regulations came into effect on 1 September for policies renewing after 1 January 2024, with all practices to be compliant by 1 January 2025. A guidance factsheet is available for download [from ACCA's website](#) and includes a comparison of the old and new PII requirements. A webinar with Lockton (ACCA's recommended PII provider) going through the changes took place on 20 September and is now [available on demand](#).

#### 4. NEXT MEETING

Meeting dates for 2024 will be circulated in due course.