



HM Revenue
& Customs



adjudicator's office

**Service Level Agreement
for
the provision of complaints
adjudication services for
HM Revenue & Customs and
Valuation Office Agency
by
the Adjudicator's Office**

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2 Definitions

ADR means Alternative Dispute Resolution.

Agreement means this Service Level Agreement (SLA), including all appendices.

AO means the Adjudicator's Office.

AO Head of Office means the person with accountability to the Adjudicator for the administration of the AO.

Conditions mean the terms and conditions in this Agreement and in any amendments and variations that may be agreed from time to time between HMRC and the Adjudicator.

HMRC means HM Revenue & Customs including the Valuation Office Agency, (unless specifically articulated).

VOA means the Valuation Office Agency.

CD means the Customer Directorate in HMRC.

The Adjudicator means the Adjudicator for HM Revenue and Customs, including the Valuation Office Agency.

Adjudication Services means the work carried out by the Adjudicator and the Adjudicator's Office in dealing with complaints from HMRC & VOA customers.

3 Change History

Date	Action
[25] April 2018	Agreement and signature of the Service Level Agreement

4 Introduction

- 4.1 This revised Agreement reflects the drive to modernise and improve complaints processes and commitments by both HMRC and the Adjudicator.
- 4.2 The Adjudicator's terms and conditions are set out in a separate document the 'Adjudicator's Terms of Appointment'.
- 4.3 HMRC will provide a support unit, the Adjudicator's Office (AO).
- 4.4 The Adjudicator will be accountable for the provision of the services detailed in this Agreement to HMRC.
- 4.5 HMRC will be responsible for expenditure associated with the provision of the services.

5 The Adjudicator's Role and Remit

- 5.1 The Adjudicator and AO will provide an independent review of complaints about HMRC to a quality standard in line with industry good practice. In doing so, they will consider if HMRC has provided a fair and consistent application of its published standards, guidance and codes of practice, with the factual evidence of the complaint.
- 5.2 The AO falls within the same legal entity as the Commissioners of HMRC, and the staff in the AO are employees of HMRC.
- 5.3 The Adjudicator is an office holder, not an employee nor an officer of HMRC, and is external to HMRC with the independent personal authority to review complaints about HMRC.
- 5.4 The Adjudicator and AO are an independent and impartial adjudicator of complaints concerning the conduct and performance of HMRC. The independence is preserved by the Adjudicator's terms of appointment. Paragraph 7 of this Agreement provides detail around the governance arrangements in place to secure and underpin the independence of both the Adjudicator and the AO in carrying out their role.
- 5.5 The core purpose of the Adjudicator and AO is to:
 - Resolve complaints by providing an accessible and flexible service and make fair and impartial decisions;
 - Support and encourage effective resolution throughout the complaints handling process; and
 - Use insight and expertise to support HMRC to learn from complaints and improve services to customers.
- 5.6 The Adjudicator's vision, supported by HMRC, is to work closely together using the AO's independent insight and expertise to achieve the following positive outcomes for our customers:
 - Complaints handling is trusted as fair and responsive to customer needs.
 - Insight from complaints improves services for customers.

- 5.7 The Adjudicator and AO role, purpose and vision have been endorsed by HMRC's Board and are aligned with HMRC's Complaints Ambition.
- 5.8 The Adjudicator can only consider complaints from:
- the customer (directly affected by the issue raised)
 - an agent representing the customer (directly affected by the issue raised). In this situation, the customer must provide written permission for the agent to act on their behalf.
- The Adjudicator cannot review complaints from customers or their representatives about:
- principles or policies; or
 - where there are existing processes in place to respond to such issues e.g. complaints about handling of information.
- 5.9 The Adjudicator and AO can only look at complaints which have completed HMRC's own internal complaints processes.
- 5.10 The Adjudicator and AO can look at complaints about:
- Mistakes;
 - Unreasonable delays;
 - Poor or misleading advice;
 - Processes – including those surrounding an individual ADR;
 - Whether a policy has been followed
 - Inappropriate staff behaviour (subject to paragraph 5.11); and
 - The use of discretion.
- If a complaint involves how HMRC has used its discretion, the Adjudicator and AO will consider the process relating to the exercise of discretion, but will not be entitled to substitute their judgement for a reasonable judgement reached by HMRC.
- 5.11 The Adjudicator and AO may decide that compensation is appropriate in some cases. Any recommendation will be in accordance with HMRC's codes of practice and policies on redress and regulatory payments.
- 5.12 The Adjudicator and AO cannot look at complaints about:
- Government or Departmental Policy;
 - Matters arising from a commercial or employment contract between a customer and HMRC;
 - Matters which have been considered on appeal by independent tribunals or issues that the courts could have considered or could consider;
 - Matters that have been, are being, or should be investigated by the Parliamentary & Health Service Ombudsman;
 - Any formal 'outcome' from the expert leading negotiations under an individual ADR;
 - The handling of requests under both the Freedom of Information Act 2000 and the Data Protection Act 1998 – such issues are referred to the Information Commissioner.
 - Falling into the remit of the Independent Ombudsman for Police Conduct or the Police Complaints Commission for Scotland.
 - Valuation decisions of Statutory Officers in the VOA.

- Where the subject matter of the complaint is under investigation or enquiry by the department, or where, by investigating the complaint, the Adjudicator's Office could compromise an enquiry.

Access to HMRC Staff & Records

- 5.13 The Adjudicator and AO will have access to all relevant staff, information and data required for the consideration of complaints received. However, HMRC will have regard to section 23(1) para 6.15 of the Criminal Procedure & Investigations Act 1996, Code of Practice (see Appendix A), where HMRC considers that the information is sensitive.
- 5.14 The Adjudicator and AO will use the same security classification standards as HMRC on data, documents and copies held within their offices.
- 5.15 On rare occasions, it may be necessary for HMRC to tell the Adjudicator that disclosure of a document would not be in the public interest. Should this situation arise, the Adjudicator and the AO will not make reference to the document or its contents in any communication with the customer.

Specific Case Requirements

- 5.16 There may be occasions where the Adjudicator will reach conclusions which are especially difficult for HMRC. For example:
- Recommendations that criticise behaviour or actions of an identifiable member of HMRC staff;
 - Conclusions that involve complex technical issues or controversial legal interpretation;
 - Recommendations that may prejudice outcomes on other cases or set unwelcome precedents.

Such cases must be identified through ongoing dialogue between AO & HMRC.

Adjudicator's Conclusions and Recommendations

- 5.17 HMRC welcomes feedback and insights from the Adjudicator and the AO to identify opportunities to learn lessons, improve complaint handling and its service to customers.
- 5.18 The Adjudicator will issue the final report, conclusion and recommendations to the relevant HMRC Director or Chief Executive for VOA.
- 5.19 The HMRC Director or Chief Executive for VOA will be responsible for ensuring the recommendations made by the Adjudicator are implemented and any compensation paid. In the exceptional circumstances where the HMRC Director or Chief Executive for VOA have any concerns, they should discuss them with the Second Permanent Secretary & Deputy Chief Executive. The Second Permanent Secretary & Deputy Chief Executive will then decide if the case should be discussed with the Adjudicator.

- 5.20 HMRC is not bound to accept any or all aspects of a report, conclusion or recommendations providing that their decision not to accept is based on a fair and consistent application of HMRC's published standards, guidance and codes of practice, with factual evidence of the complaint, and agreed by the Second Permanent Secretary & Deputy Chief Executive.
- 5.21 CD will drive the programme of work to deliver HMRC's Complaints Ambition, listening to and learning from customer and AO feedback, to ensure this learning is applied.
- 5.22 HMRC will provide regular feedback to the Adjudicator and AO on the lessons learned.

HMRC's Service Standards

- 5.23 The service standards to which HMRC will work in respect of this Agreement are set out at Appendix B.

6 Terms of Agreement

This Agreement starts on 1 May 2018 and remains in force until such time as it is terminated as set out in paragraph 6.7 below.

Variation

- 6.1 This Agreement can be altered at any time by agreement between HMRC and the Adjudicator to reflect changing priorities and opportunities.
- 6.2 At least 20 working days' notice must be given by either HMRC or the Adjudicator of any proposals to vary or change the conditions of this Agreement.
- 6.3 All changes must be agreed in writing between HMRC and the Adjudicator.
- 6.4 The detail of any changes and the timetable for implementing them will be shared and agreed by HMRC and the Adjudicator.

Resolution of dispute

- 6.5 With the exception of matters where this Agreement specifically states the decision is one for HMRC to make, any disputes or disagreements between the Adjudicator, the AO and HMRC relating to this agreement shall initially be discussed by the AO Head of Office, CD and Chief Executive for the VOA, in consultation with relevant HMRC representatives.
- 6.6 If agreement cannot be reached, discussions will be held between the Adjudicator and the Second Permanent Secretary & Deputy Chief Executive. In the event an agreement still cannot be reached, the final decision will rest with the Second Permanent Secretary & Deputy Chief Executive.

Termination of Agreement

- 6.7 HMRC or the Adjudicator may terminate this Agreement for operational or other reasons. The relevant party will notify the other of the termination, allowing a minimum 90 calendar days' notice from the date of notification.

Business Continuity

- 6.8 Where the Adjudicator is unable to fulfil any obligations under this Agreement due to actions or interventions of a third party (or third parties), or due to circumstances beyond the Adjudicator's control, the Agreement will be suspended for the duration of the difficulty.
- 6.9 The AO Head of Office and CD will agree alternatives for business continuity for all/any AO locations, in line with HMRC security and business continuity policies.

7 Governance, Access, Resources

- 7.1 This section provides detail around the governance arrangements in place to secure and underpin the independence of both the Adjudicator and the AO in carrying out their role, and to clearly evidence that to customers, HMRC and external stakeholders.
- 7.2 The Adjudicator is independent or 'at arm's length' to HMRC and her decisions are not subject to influence or interference.

HMRC's Second Permanent Secretary & Deputy Chief Executive

- 7.3 The Second Permanent Secretary & Deputy Chief Executive will provide strategic leadership and overview on behalf of HMRC.
- 7.4 The Second Permanent Secretary & Deputy Chief Executive will meet with the Adjudicator as required. Additionally, the Adjudicator will meet formally at least once a year to discuss progress, matters of concern and to share best practice.
- 7.5 The Adjudicator will be invited to attend the HMRC Board at least annually, and any appropriate Board Committee to keep them updated on customer issues and the HMRC response including:
- Progress on the Adjudicator's Role & Vision;
 - Specific issues brought to HMRC's attention; and
 - Wider contributions on topics impacting on customers

HMRC

- 7.6 The Adjudicator will meet regularly with the Lead Non-Executive.
- 7.7 The Adjudicator will have direct access to any ExCom member or Director General as and when required to discuss issues relating to their area of business.
- 7.8 CD will support the Second Permanent Secretary & Deputy Chief Executive, HMRC, the Adjudicator and the AO by being the day-to-day administrative contact for the SLA and any operational issues not requiring initial senior intervention or discussion.

- 7.9 CD will be the initial escalation for any HMRC business areas on issues or disagreement arising from this Agreement, or any other interaction with AO.
- 7.10 CD will promote an HMRC wide understanding and appreciation of the role of the Adjudicator and the AO.

The Adjudicator

- 7.11 The Adjudicator will set the direction of the AO including performance, planning and value for money delivery of the adjudication services within the scope of the role and remit. These will fit with the requirement that the AO follows HMRC procedures and policies on financial propriety and management; personnel; data security, etc.
- 7.12 The Adjudicator will set standards to ensure that quality and independence are maintained throughout the work of the AO.
- 7.13 The Adjudicator will publish an annual report covering AO performance, how HMRC has handled complaints referred by its customers, including learning from complaints and insights provided. The Adjudicator holds editorial control of the report and HMRC has no power of veto over the contents.
- 7.14 The Adjudicator may access Solicitor's Office & Legal Services (SOLS) in relation to non-contentious matters (e.g. statutory interpretation), and to Government Legal Department (GLD) for contentious matters or matters relating to her personal obligations.

The Adjudicator's Office

- 7.15 HMRC will provide a support unit, the AO. This includes staff, accommodation, equipment and materials to enable the Adjudicator to resolve complaints referred by customers and provide HMRC with opportunities to learn and make improvements based on feedback, recommendations and insight shared.
- 7.16 The AO:
- Will comply with all the relevant HMRC policies, guidelines and processes on finance, personnel and data security, etc;
 - Will publish customer service standards;
 - Is subject to the same assurance processes, including HMRC Internal Audit as HMRC offices;
 - Is entitled to access to SOLS in relation to non-contentious matters (e.g. statutory interpretation), and to GLD in relation to contentious matters and its own obligations;
 - Will provide relevant performance data.
- 7.17 The AO Head of Office is accountable to the Adjudicator, on a day to day basis, for implementing the Adjudicator's strategy and for delivering the services set out in this Agreement.
- 7.18 To ensure the AO's independence when supporting the Adjudicator, the AO Head of Office's accountabilities and line of reporting to HMRC will be at arm's length to the main operational delivery lines of HMRC's business, from which the majority of complaints would be referred by customers.

- 7.19 The AO Head of Office will have a matrix performance agreement fully reflecting the principles of this Agreement, with both the Director of CD and the Adjudicator.

Adjudicator's Office Staffing

- 7.20 The staff in the AO are HMRC employees.
- 7.21 Line Management will flow up to and via the AO Head of Office, the Countersigning Officer is the Director of CD, and where relevant, with matrix management input from the Adjudicator.

Freedom of Information & Data Protection

- 7.22 For the purposes of the Freedom of Information Act 2000 and Data Protection Act 1998 (General Data Protection Regulations from 25 May 2018), the AO will be seen as part of HMRC and therefore operate under the same jurisdiction.
- 7.23 All requests for customer specific information under the Freedom of Information Act 2000 or the Data Protection Act 1998 will be recorded. The AO will work closely with HMRC's FOI & DP teams to ensure the appropriate policies and procedures are followed.
- 7.24 The AO will refer all requests for HMRC (or VOA) guidance, policy and non-personal information back to HMRC to handle – the AO will not release such information to customers independently.

Complaints from Customers about the Adjudicator or the Adjudicator's Office

- 7.25 The AO will provide clear information to customers on how to make a complaint about the way their issues have been handled by the AO.
- 7.26 Complaints about the services provided by the AO, whether directed to the Adjudicator, the AO or HMRC, will be reviewed in accordance with procedures set out in Appendix C.

Adjudicator's Resources and Finances

- 7.27 HMRC will provide funding to cover agreed operational costs and provide relevant performance data for forecasting purposes.
- 7.28 In keeping with HMRC's commitment to continuous improvement, the AO will seek to improve business performance in service delivery and value for money.
- 7.29 The AO Head of Office will agree an annual business case for funding with Customer Strategy & Tax Design Finance copied to CD. If necessary, discussions will escalate to the Second Permanent Secretary & Deputy Chief Executive for resolution.
- 7.30 Any request for additional funding during the year will require a formal business case submitted to the Second Permanent Secretary & Deputy Chief Executive.
- 7.31 Financial arrangements between HMRC and the VOA for the provision of Adjudication Services are set out in Appendix D.

Working with Business Groups

- 7.32 The Adjudicator and the AO will work directly with HMRC's business groups whose complaints reach her office, providing appropriate management information and feedback to promote a learning culture.
- 7.33 HMRC will share data on the pipeline of complaints and appropriate management information to enable the Adjudicator and the AO to effectively forecast work and resource requirements.
- 7.34 The Adjudicator and AO Head of Office will work closely with CD who have direct responsibility for HMRC's Complaints Policy & Strategy, Organisational Listening, Your Charter, and for supporting the Second Permanent Secretary & Deputy Chief Executive on the Agreement and the wider Cross Government Complaints agenda.

8 Parties to the Agreement

The Adjudicator

Signed

Name Helen Megarry

Title The Adjudicator

Date [25] April 2018

HM Revenue & Customs

Signed

Name Jim Harra

Title Second Permanent Secretary & Deputy Chief Executive

Date [25] April 2018

Valuation Office Agency

Signed

Name Melissa Tatton

Title Chief Executive

Date [25] April 2018

This Agreement takes effect from 1 May 2018 superseding earlier versions.

Appendix A

Extract from Criminal Procedure and Investigations Act 1996 (section 23(1)) Code of Practice

6.15 Subject to paragraph 6.16, the disclosure officer must list on a sensitive schedule any material; the disclosure of which he believes would give rise to a real risk of serious prejudice to an important public interest, and the reason for that belief. The schedule must include a statement that the disclosure officer believes the material is sensitive. Depending on the circumstances, examples of such material may include the following among others:

- material relating to national security;
- material received from the intelligence and security agencies;
- material relating to intelligence from foreign sources which reveals sensitive intelligence gathering methods;
- material given in confidence;
- material relating to the identity or activities of informants, or undercover police officers, or witnesses, or other persons supplying information to the police who may be in danger if their identities are revealed;
- material revealing the location of any premises or other place used for police surveillance, or the identity of any person allowing a police officer to use them for surveillance;
- material revealing, either directly or indirectly, techniques and methods relied upon by a police officer in the course of a criminal investigation, for example covert surveillance techniques, or other methods of detecting crime;
- material whose disclosure might facilitate the commission of other offences or hinder the prevention and detection of crime;
- material upon the strength of which search warrants were obtained;
- material containing details of persons taking part in identification parades;
- material supplied to an investigator during a criminal investigation which has been generated by an official of a body concerned with the regulation or supervision of bodies corporate or of persons engaged in financial activities, or which has been generated by a person retained by such a body;
- material supplied to an investigator during a criminal investigation which relates to a child or young person and which has been generated by a local authority social services department, an Area Child Protection Committee or other party contacted by an investigator during the investigation; and
- material relating to the private life of a witness.

Appendix B

HMRC Service Standards for working with the Adjudicator

This appendix sets out the service standards applicable to both HMRC and VOA.

HMRC will:

- Ensure in the final departmental response customers are made aware of the next steps in the complaints process, including the service offered by the Adjudicator and the AO.

During an investigation by the Adjudicator

- Provide case reports when requested by the AO within 15 working days.
- Provide any subsequent information requested by the AO on open/working cases within 10 working days.
- Discuss any difficulties with the AO, and involve CD/Chief Executive VOA if agreement cannot be reached.

After a complaint has been closed by the Adjudicator

- Confirm the recommendation has been accepted and inform the Adjudicator when the recommendation has been implemented. In exceptional cases, any decision not to accept or implement a recommendation to be discussed with HMRC Second Permanent Secretary & Deputy Chief Executive or Chief Executive for VOA; and an HMRC/VOA Director to explain in writing to the Adjudicator the reason(s) behind the decision.
- Implement recommendations where agreed as soon as possible/within 10 working days, unless in exceptional cases, the Adjudicator has been informed that implementation will take longer and told the reason for the delay.
- Respond to suggestions made by the Adjudicator relating to Departmental procedure and practice, setting out either:
 - the action HMRC plan to take to implement the suggestion;
 - the reasons why HMRC plan to take alternative action and what that action will be; or
 - the reasons why HMRC plan to take no further action.
- Provide any information requested by the AO in relation to resolved cases as a priority and no later than 10 working days.

Appendix C

Procedures for dealing with complaints about the AO and the Adjudicator

1 General

1.1 A complaint is defined as any expression of dissatisfaction with the Adjudication Services provided, that is not resolved at initial contact and requires a response, whether the complaint is made in person, on the telephone or in writing to the Adjudicator, the AO or HMRC. This definition excludes complaints made by customers about any recommendations made by the Adjudicator.

2 Complaints about the services provided by AO

2.1 All complaints about the Adjudication Services provided by the AO and its staff, whether directed to the AO, the Adjudicator or HMRC, will be investigated in accordance with procedures set out by the AO.

2.2 All such complaints are to be recorded by the AO and the relevant records made available for audit purposes.

2.3 The AO Head of Office will be responsible for ensuring that complaints are dealt with correctly and in accordance with the procedures and standards set out, including a full response to all issues raised with a separate, objective review of the case or escalation to the Adjudicator if necessary. If this cannot be achieved, the complainant will be informed about the role of the Parliamentary & Health Service Ombudsman.

3 Complaints procedure

3.1 The Adjudicator will be required to maintain a documented complaints procedure and service standards statement that is visible to users of the Adjudication Services provided and all complaints will be registered in a complaints register which will be held at the AO.

3.2 If a complaint about the Adjudication Services provided by the AO is made directly to HMRC, it will be referred to the AO Head of Office promptly. HMRC Complaints Policy and Strategy Team in CD may ask for information about the number of such complaints and the actions taken to resolve them.

4 Complaints about conduct or behaviour of staff or the Adjudicator

4.1 Complaints about the behaviour or conduct of the HMRC staff of the AO will be dealt with by the Head of Office and his/her line management chain, following the procedures outlined in HMRC's Conduct and Discipline policies.

4.2 Complaints about the personal conduct of the Adjudicator will be referred to the Second Permanent Secretary & Deputy Chief Executive for action.

Appendix D

Financial arrangements between VOA and HMRC for provision of Adjudication Services

1. The VOA will provide sufficient funding to cover a proportion of the full operational costs of the AO and the Adjudicator, to deliver the outputs shown in each AO annual business plan.
2. The arrangements for meeting a share of the full operational costs will be agreed between the VOA and HMRC Finance. The AO will provide any necessary estimates of costs to facilitate this.
3. Such estimates will be based on the number of VOA cases settled as a percentage of the total cases settled by the AO in the most recent year.
4. If additional temporary or permanent staff resources are considered necessary during the year for the AO to provide the agreed level of service to VOA, the AO will prepare and submit a case to the VOA. If agreement cannot be reached, the Adjudicator and the AO Head of Office will consult the Chief Executive of the VOA whose decision on such matters shall be final.