

Extract from the HMRC internal guidance

Tax Impact Assessments: Table of Impacts, Specific Fields

From the first stage of policy development you will need to determine if you need a Tax Impact Assessment (TIA) or an Impact Assessment (IA).

The TIA process only applies to HMT and HMRC and cannot be used in other Government departments. If exceptionally there is a Finance Bill-linked tax measure from another Government department (for example Vehicle Excise duty) then the HMT policy official is responsible for the TIA.

What is a Tax Impact Assessment?

The Tax Impact Assessment shows the outcome of the process to assess the impact of any potential tax etc change that the Government is considering introducing. The TIA summarises the key relevant impacts in the cross-government Regulatory Impact Assessment (RIA) process together with any financial impacts that the change may have and displays them in a simple format to inform the Minister.

If your policy goes ahead, your TIA will be published firstly in a consultation document and again in a Tax Information and Impact Note when the policy design is final to show that Ministers have carefully considered all the possible impacts the new policy/change will have in coming to a decision to implement the change. The Government can be challenged if they haven't considered various impacts when introducing new policy (for example equality), so it is essential you consider all the impacts and have an audit trail.

So, from the moment you think of a policy change, you need to begin the Tax Impact Assessment process. You should not think of it as a form that is completed at the end of the policy making process but as something to start at the inception of the policy change and which is updated constantly as your policy proposal is refined. This should ensure you produce an evidence based policy that has covered all the Government commitments and impacts.

Things to consider

There are a number of key questions to consider when you assess the impacts of any policy change.

What are you doing? (The policy objectives.)

Why are you doing it? (Specify which Government objective it supports.)

Why are you doing it this way? (The options appraisal.)

What is the economic impact?

What is the exchequer impact? (The tax take as per "Red Book".)

What is the impact on customers? (Individuals, businesses and civil society organisations.)

What is the impact on the public sector? (HMRC and Other Government Departments.)

What are the Equality impacts?

What are the other impacts? (Competition, Small and Micro-Business Assessment, Environmental etc.)

The work you do considering the impacts of your policy change should be summarised and communicated in the following products:

The Submission - The HMT and HMRC submissions templates require policy leads to complete a table of impacts for all submissions where the Minister is being asked to make a decision on a policy issue. You will need to demonstrate to Ministers that you have considered the full range of possible impacts of a particular change. Where information is not known, you should make this clear.

Extract from the HMRC internal guidance

The information in the table of impacts is not designed to replace advice you would ordinarily include in the main body of the submission to Ministers. This should continue to discuss and draw out the key impacts as appropriate. You should also highlight any significant impacts in the 'Implications' section on the front page of the submission.

The Consultation document - When you are consulting on your policy you must consult on the impacts you have identified to test and refine these with stakeholders. The table of impacts you developed at submission stage should be reviewed and updated (if necessary). The evidence base may have developed in light of responses to earlier discussion documents or 'calls for evidence'.

The easiest way to present your current understanding of the impacts is to include a table of impacts. However, you should consider how best to present it so that it will be clear and easily understood by the reader.

Where appropriate you can include a specific question on the equality impacts of a measure to test assumptions or gather information (such as 'Do you have any comments on the assessment of equality [and other] impacts in the specific impact test checklist on page [x] and in the Taxes Impact Assessment on page [y]').

The Tax Information and Impact Note (TIIN) - When the policy design is final or near final a TIIN is published. The table of impacts should be incorporated into this. This is the final stage of the Tax Impact Assessment process and guidance on completing a TIIN is available here. The table of impacts differs slightly in formatting but the information required remains the same.

Who is responsible for the Tax Impact Assessment?

The policy lead (HMRC or HMT) is responsible for the completion of the Tax Impact Assessment process and therefore completing the table of impacts in the submission, any Consultation document and the TIIN. This does not mean that policy leads need to do all of the work themselves and it is important that you involve other key stakeholders when looking at the various impacts and seek agreement that they are content with published impacts.

Extract from the HMRC internal guidance

Tax Impact Assessments: Table of Impacts, Exchequer impact and more

The table of impacts summarises the various impacts that you have considered during your policy development in a concise and consistent way. The table is embedded in the submission, consultation document and Tax Information and Impact Notes (TIIN) templates.

Although the Policy lead is responsible for completing the table of impacts they must involve and seek the agreement of other key stakeholders when considering the various impacts.

The list below shows the impacts that have to be considered and provides brief guidance on completing these boxes and where to find key stakeholders.

Exchequer Impact

All advice to Ministers should include details on the possible costs/yield of the proposal. Colleagues in Knowledge, Analysis and Intelligence (KAI) provide help and advice with completing this section and you should contact your KAI analyst as early as possible in the policy development. If you are unsure who your KAI analyst is you can contact the KAI Business Analysis, Research and Regulation (BARR) team who will help (KAI TIA Support Mailbox).

There is standard wording that has to be used in this section and this can be found in KAI guidance.

However, the wording may be different depending at what stage of the process you are at (in other words, submission stage, consultation stage, final stage - TIIN) and whether the costing has been finalised and agreed with the Office of Budget Responsibility (OBR). You must always agree any figures and wording in this box with your KAI analyst.

The Exchequer Impact box within the TIIN is also subject to final quality assurance and consistency checks by HMT Scorecard Branch, which may mean there are final very last minute changes to previously agreed figures and text. More...

Economic Impact

The economic impacts box should be used to highlight any possible macroeconomic impacts (employment, inflation, investment etc). It can also be used to describe more significant microeconomic impacts (for example, improving sector competitiveness).

Drafting of the economic impacts box is the responsibility of the policy lead, although KAI and HMT will need to supply much of the content where significant impacts are identified. You should engage early with your KAI analyst and HMT policy partner.

In many cases, the measure being considered will have no significant microeconomic impacts and a negligible impact on the macro economy. If this is the case, the box should simply state that the measure is not expected to have any significant economic impacts.

Measures with a costing will normally have economic or behavioural drivers generating the scorecard number. KAI publish a costings note and the details of the behavioural impact set out in the costings note will be copied over into the boxes by the Budget Team before publication.

More...

Extract from the HMRC internal guidance

Impact on Individuals, Households and Families

The box should be used to highlight any impact that your change may have on individuals and households. You should consider:

1. The likely number of individuals/households affected (including winners and losers if relevant).
2. What types of individuals will be affected by the change and how (who is bearing the increase/decrease in tax and so on).
3. The compliance impact on individuals and households and whether it can be quantified. The extent of the analysis needed on these impacts will depend on the number of individuals affected and/or the amount that each individual is affected.

Your KAI analyst and PT Customer, Product & Process (PTCPP) will be able to assist with any detailed, proportional, distributional analysis.

Impacts on individuals and households are significant if they exceed the following de-minimus limits:-

- Each individual's one-off cost to comply are greater than two hours of an individual's time / equivalent cost of £30.
- Each individual's annual cost to comply are greater than one hour of an individual's time / equivalent cost of £15.
- The total affected populations' one-off cost and annual cost to comply exceed £7.5million per year.

If you estimate that your change either does not affect individuals (no impact) or falls under all of the above (negligible impact) you will only need to write a qualitative statement – for example:

'There is no impact on individuals because (for example, this is a change that affects North Sea Oilfields only).'

or

'The measure is likely to affect fewer than 500,000 individuals (and households) and the impact on affected individuals (and households) is anticipated to be negligible.'

Estimates that have a significant impact on individuals and households (and/or fall above any of the limits) will need some numerical analysis and you should liaise with your KAI analyst and PTCPP as appropriate. If the additional burdens that may be placed upon individuals are significant the Total Cost to Serve calculator may need to be used. BC&S Customer Experience team can help you with this and guidance can be found here.

Families Impact Test

“We can't go on having government taking decisions like this which ignore the impact on the family.

I said previously that I wanted to introduce a family test into government. Now that test is being formalised as part of the impact assessment for all domestic policies. Put simply that means every

Extract from the HMRC internal guidance

single domestic policy that government comes up with will be examined for its impact on the family.”

Prime Minister David Cameron, 18 August 2014

DWP has been charged with implementing this test across government. The test therefore needs to be part of the Tax Impact Assessment process through HMRC and HMT.

Definition of family

DWP are advising that the family should be defined to include both relationships and functions. Those related by blood or law are family, while those who jointly fulfil family functions, such as step parents or cohabitating partners may be considered part of a family. We also recognise the intergenerational elements of family life and would consider Grandparents ‘in scope’.

Scope of the test

The focus of the test should be on the impact of policy on the strength and quality of family relationships and the ‘things that keep families together’. While this might be viewed as a very limited scope, it could be argued that other aspects of family wellbeing are already considered as part of the policy making process, for example the child poverty act requires consideration of the impact of policy on household income.

Focusing on the impact on family relationships will enable this information and the implications to be made more explicit to ministers, in much the same way that financial and legal implications are clearly outlined. The purpose of the test is to identify the potential impacts on families so that they can be more clearly weighed up against other considerations. DWP are proposing three aspect to this:

Family Formation – helping families come together

Policy should support and reinforce, where possible and appropriate, family formation and commitment. Policy areas include law on marriage, adoption and fostering, impact of tax and benefit system.

Family stability and quality of relationships – helping families to stay together and supporting strong relationships

Policy should support family members in fulfilling their responsibilities to each other, encourage family interaction and support strong family relationships. Policy areas include family services, employment regulations / work-family balance, relationship support, parenting etc.

Family breakdown – supporting families facing difficulties and during separation

Policy should provide support for families at risk of or going through separation. Policy areas include child maintenance, family legal system, mediation support etc.

For full guidance please see the information from DWP [here](#). Or, if you need more help, email family.test@dwp.gsi.gov.uk.

Extract from the HMRC internal guidance

If you have a policy that may impact on families or you are unsure about the impact please contact [redacted].

Equalities impacts

HMRC (like all public bodies and others carrying out public functions) is under a statutory duty to give due regard to equality issues and to embed equality considerations into our day to day work. The equality box should be used to highlight any impact on equality your change has.

The statutory duty covers the following protected characteristics:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Sex
- Sexual orientation
- Race – this includes ethnic or national origins, colour or nationality
- Religion or belief – this includes lack of belief
- Marriage/Civil partnership
- Political opinion (NI only)

So when developing your policy you must ensure that equality is a key consideration in the decision making and policy development process and that impact on equality is assessed on an ongoing basis. It is very important that you keep an auditable record of your consideration and the outcome so that if there is a challenge to the decision you can demonstrate due regard was given.

In cases where equality is clearly not an issue then it may simply be a matter of recording that you have considered the equality implications of your policy keeping a record of this for audit purposes in the event of a challenge. One way of doing this is to use the assessing for relevance template and guidance.

If however you think your policy is likely to have implications for equality then you may need to do some more work to meet the duty. Detailed guidance can be found here. But before undertaking this work you should get advice from [redacted] in the Central Customer and Strategy Team. More...

Child Poverty Impact

It is essential to ensure compliance with the equality duty in the specific context of Autumn Statement/Budget procedural requirements. There is now also a requirement to cover the particular consideration of impacts for 'child poverty'. Given that 'age' is a protected characteristic, it was always the case that impacts for children should be considered in policy work. However, HMRC and HMT are now formalising this process to consider impacts for child poverty specifically in the context of the Child Poverty Act 2010.

Extract from the HMRC internal guidance

The child Poverty act requires government to meet targets for four statutory measures of child poverty by 2020. All government policies must be impacted for their effect on these four measures. The child poverty tool below will guide you through the process.

If your measure is HMT led please bring this to the attention of your HMT policy partner.

If your measure is HMRC led and there may be an impact on child poverty, please click on the tool below and complete the spreadsheet. If the result is that there is a potential impact, save the spreadsheet and click on the button at the top of the sheet to email the Child Poverty Unit in HMT for advice on how to proceed.

For any further information you can visit GOV.UK or read the strategy here. Alternatively for additional HMRC guidance please contact [redacted] or for HMT guidance [redacted] and [redacted](equalities policy) and [redacted](child poverty).

The Child Poverty Tool is an attached excel tool to help you judge whether your policy has an impact or not.

[Child Poverty Policy Tool \(Excel 138kb\)](#)

Impacts on Business and Civil Society Organisations

To assess this impact you must consider the following.

1. The likely number of businesses affected (including winners and losers if relevant).
2. What types of businesses will be affected by the tax change and by how much (that is – who is bearing the increase/decrease in tax, including likely sectoral impact, impact on specific markets or businesses of different size). If the tax change yields/costs more than £5m then you should briefly describe how many businesses/what types of business will be affected and by how much. This should be proportionate and should generally be based on information you already have available. It should only require the commissioning of extra analysis from KAI for the most significant and high profile measures.
3. The compliance cost to businesses, both annual and one off, in terms of HMRC's target, where this is greater than £100,000 of administrative burden (annual) or £3m of compliance cost (one-off). You will need to determine whether the impacts of your change exceed these thresholds through some initial investigation using either the Standard Cost Model database (for admin burdens) or the Total Cost to Serve Calculator (for wider compliance costs). If you need training on these tools, please contact your KAI or Central Customer & Strategy lead.

To note: If you determine that your change does have significant impacts on admin burden or wider compliance costs, you will need to commission more detailed work from your KAI analyst.

There are three levels of analysis.

1. **No impact** on business costs: say qualitatively (for example, 'only affects pensioners not businesses').
2. **Negligible impact** (that is below £100k/£3m) then do not commission analysis but instead explain what analysis has already been done, for example any sectoral impacts or populations already known.

Extract from the HMRC internal guidance

3. **Impact on business** over the threshold: say what we can quantify now, and how we plan to find out more to assess the costs fully (for example, consultation? research? analysis of the Standard Cost Model and industry or other data?).

If the compliance cost to business does exceed the threshold and is quantifiable at this stage, there will be a standard table that your KAI analyst will be able to provide for insertion into this section.

Small and Micro Business Assessment:

Small businesses (up to 49 FTE employees) - including micro-businesses (up to 10 employees):

- why they are included in the change
- what amelioration you have considered, and
- what consultation you have carried out.

Further KAI information can be found here.

Operational Impact

In this field you will set out the implementation costs to HMRC or other delivery department. You should include both development costs and ongoing costs and indicate what those costs will be over the first five year life cycle (that is, changes to IT systems, staffing, communications etc.). Similarly show efficiencies and savings. You can show a range of figures and estimates if costs and savings are not yet fully established (for example, IT systems changes).

You should make early contact to agree the text, possible costs and source of any funding required with the Budget Team DS and, where appropriate, GDA and Finance.

In broad terms where there are no costs or savings whatsoever for HMRC the impact can be shown as nil. Where however there likely to be small costs / savings of up to £1 million over the five year period, these can be described as 'negligible', Where the costs / savings are likely to exceed £1million a breakdown between the key elements should be provided.

The following generic text can be used;

- It is not anticipated that implementing this change will incur any additional costs / savings for HMRC.
- The additional cost s/ savings for HMRC in implementing this change are anticipated to be negligible.

For the impacts over £1 million requiring more information;

- The additional costs / savings for HMRC over the first five years are estimated to be £x for computer system requirements, £x for staff resources, £x for customer information and support. £x for ?

If there are cost impacts on other departments, these should be included using the same criteria as for HMRC figures.

For major, very expensive changes it may be that HMRC will need to consider seeking additional funding but this will be a matter for the Budget Team / DS, GDA and Finance to consider and should not be raised other than on their advice. (You should not include funding issues in the version of the TIA included in the TIIN.)

Extract from the HMRC internal guidance

Delivery Support in the Budget Team will help you with this impact.

Other Impacts

You are required to test all policy proposals against a range of impacts. Many of these tests may not be relevant to tax measures, but you need to demonstrate that you have given proper consideration to each. It is the responsibility of the Policy lead to agree the text in this field with your contact in DS.

Remember that the idea is to think through each of these tests as you develop your policy. There is no need to comment in the table of impacts where policy will not have an impact but if you think there could be an impact (for example, on small firms) you should highlight and explain what you are doing to better understand those impacts (for example, you plan to test by proactively arranging a series of discussions with small firms and their representatives as part of your consultation).

KAI specific guidance

Contents

1. [Competition assessment](#)
2. [Carbon assessment](#)
3. [Justice Impact Test](#)
4. [Wider environment Impact](#)
5. [The health impact assessment \(HIA\)](#)
6. [Rural proofing](#)
7. [Privacy Impact](#)

Competition assessment

The purpose of the test is to identify whether the proposal is pro or anti-competitive and to assess whether the impact is significant. Further guidance is available below;

Old but still has some helpful information:

<https://www.gov.uk/government/publications/competition-and-consumer-laws-for-business> Completing competition assessments in Impact Assessments (Web)

New:

<https://www.gov.uk/government/publications/competition-impact-assessment-guidelines-for-policymakers>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/460784/Competition_impact_assessment_Part_1_-_overview.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/460787/Competition_impact_assessment_Part_2_-_guidelines.pdf

Carbon assessment

In this case, Defra has published full revised guidance on how to value greenhouse gas emissions in government appraisals. This is for use in all policy and project appraisals across government with significant effects on carbon emissions. The guidance adopts the concept of the Shadow Price of

Extract from the HMRC internal guidance

Carbon (SPC) as the basis for incorporating carbon emissions in cost-benefit analysis and impact assessments.

You can find further guidance on the carbon assessment at the DECC website (Now BEIS).

Justice Impact Test

You need to complete a Justice Impact Test if your policy change or legislation is likely to have any impact on the justice system for example:

- New criminal or civil sanctions;
- Increased work for courts or tribunals or probate office;
- Increased demand for legal aid,
- A need for an appeals process;
- An impact on judicial appointments and/ or training; or
- An increase in the number of offenders committed to custody or probation.

The form and guidance on its completion can be found at:

<http://www.justice.gov.uk/downloads/forms/moj/justice-impact-test-form2010.doc>

The completed form should be sent to [redacted] in Tax Administration Policy or to the [redacted]. TAP will send the form to the Ministry of Justice. Please be aware that the process takes up to 4 weeks.

Sustainable development

The Government is committed to five principles of sustainable development.

As a useful check, for a sustainable approach all policies should respect the five principles.

1. Living within environmental limits
2. Ensuring a strong, healthy and just society
3. Achieving a sustainable economy
4. Promoting good governance
5. Using sound science responsibly

You can find further guidance on the five principles on DEFRA at the GOV.UK website. The impact test is below:

<https://www.gov.uk/guidance/sustainable-development-impact-test>

Wider environment Impact

The environmental impact tests enable departments to understand and quantify the environmental consequences of their proposals.

Here are a few examples.

- Will the proposal be vulnerable to the predicted effects of climate change? Will it impact on air quality?

Extract from the HMRC internal guidance

- Will it lead to a change in the financial costs or environment and health impacts of waste management?
- Will it involve any material change to the appearance of the landscape or townscape?
- Will it change the degree of water pollution, levels of abstraction of water, exposure to flood risk?
- Will it disturb or enhance habitat or wildlife?
- Will it affect the number of people exposed to noise or the levels of exposure?

You can find further guidance on environmental impact tests at the DEFRA website.

Further guidance is here:

<https://www.gov.uk/guidance/assessing-environmental-impact-guidance>

The health impact assessment (HIA)

This considers the effects policies, plans, programmes and projects have on health and well-being.

See here for guidance:

<https://www.gov.uk/government/publications/health-impact-assessment-tools>

Rural proofing

Is the policy likely to have an impact in rural areas?

The Commission for Rural Communities essentially ask policy makers to ask themselves three key questions to rural proof a policy:

- Is the policy likely to have a different impact on different areas and/or communities?
- Will the impacts be significant in rural areas?
- How can a policy be adjusted to ensure that the needs of rural communities are taken into account?

You can find further guidance on rural proofing at the rural communities website and below:

<https://www.gov.uk/guidance/rural-proofing-guidance>

Privacy Impact

It is a Cabinet Office requirement that, from 1 July 2008, a Privacy Impact Assessment (PIA) is carried out for any new government initiative involving the use of personal data.

A PIA is a risk management technique that helps assess privacy risks to individuals in the collection, use and disclosure of information. You can find more information on the PIA here:

<https://ico.org.uk/for-organisations/guide-to-data-protection/privacy-by-design/>

There is also a code of practice that you may find useful here: <https://ico.org.uk/media/for-organisations/documents/1595/pia-code-of-practice.pdf>

Within the code of practice you will find some notes to use in developing a template for the Privacy Impact Assessment. Here is the HMRC version taken from the CoP.

Extract from the HMRC internal guidance

Privacy Impact Assessment Template

Impacts on Tax receipts

In addition to cross-Govt impacts, you should also consider the impact of your measure on the sustainability of tax receipts and in particular:

Avoidance

Counter Avoidance will avoidance-proof all Budget measures. Experience has shown that we add the most value when our avoidance specialists are engaged in the early stages of developing legislation. See proofing and testing.

Compliance

One of HMRC's primary goals is to reduce the tax gap. In developing Budget and Finance Bill measures it is important that you consider compliance to ensure that our Departmental targets are met. Compliance effects are also specifically included in Impact Assessments. See tax compliance.

HMT leads should work with HMRC policy partners to consider these impacts.

Monitoring and Evaluation

Though not an actual box in the table of impacts you must think at the outset about how you are going to monitor whether the policy is working and evaluate whether the policy change has achieved the original objective. This has to be set out as part of the Tax Information and Impact Note. You should consider:

What monitoring information (for example, on take-up, direct cost) should be available and when, given current options for policy & its implementation;

The likely feasibility of an impact evaluation.

Whether evaluation is likely to be a high priority for your change.

In order to complete this section, you will need to discuss with you KAI analyst who consult with other KAI colleagues. KAI will need to agree the form of words used in the submission and in any TIIN for publication. More...

For more information on specific fields please see the pages here.

What the table of impacts should look like can be found here.

Extract from the HMRC internal guidance

Impact Assessments (policy, legislative and operational change)

All policy and significant operational changes (legislative and non-legislative) with an impact on businesses, charities, or the public sector must be developed using the Impact Assessment (IA) process. If you are completing an IA and need to understand what you need to do you will need to consult the Better Regulation Framework manual which can be found [here](#).

Further information: contact [redacted]

When are Impact Assessments required?

Most policy changes will not need an IA. The Tax Impact Assessment (TIA) covers all of the same impacts that relate to tax matters. However, occasionally a non-tax impact assessment will be required.

If you decide an IA is required you will need to consider whether any or all of the following impacts apply.

It is essential that these Impacts are considered and applied for the following reasons:

- to enable HMRC to comply with its legal obligations, ensuring there is no risk of legal challenge and minimising the risk of reputational damage for failing to do so
- to identify at the earliest opportunity any significant challenges, risks, issues or dependencies that the proposed change will give rise to and use this to inform the planning and development of the programme or project
- to identify any resource and financial implications that the proposed change may give rise to and include these in the Programme or Project Value Proposition and Business Case.

Help is available from the owners of the different assessments. Listed below are the assessments that should be considered, together with links to the relevant Intranet pages and guidance and contact points for more information.

Business Impact Assessments

The Business Impact Assessment (BIA) provides a view from the business to help security risk assessors understand the effect of a security incident to their service or system. It requires information to be gathered that assists in calculating this impact. This includes:

- A Brief overview of the system
- The protective marking of the data handled by the system
- Numbers of users of the system and their clearance levels
- Relevant laws and legislative requirements
- Calculation of the Business Impact Levels (BILs)

Business Impact Levels (BILs) are a measure of the impact of a security incident where confidentiality of data is lost; where the data is amended without authority or inaccurately; or, where a system is “down” and unavailable for processing data and doing business.

Extract from the HMRC internal guidance

How is it completed?

Whilst the business has the knowledge and understanding to complete a BIA, Security and Information Directorate are normally expected to facilitate completion to bring their wide experience to moderate the outcome and provide guidance as required. Typically, completing a BIA will require the input of business representatives, data guardians, security and project representatives.

When is it completed?

A BIA may be completed very early on in the development of a new system but is expected to be refined further as the project and system design matures.

Who do I contact for more information?

Contact: [redacted]

Data Quality Impact Assessments

This is the process of ensuring every opportunity to improve the quality of our data is maximised. Wherever relevant a data quality impact analysis should now be undertaken as a mandatory activity of all projects and programmes.

Listed below are the key measures/requirements which are essential to achieving good quality data. Anything which detracts from these requirements is regarded as a data quality issue.

Data should meet **six** key requirements to be considered fit for purpose:

- **Complete** – all of the necessary data fields contain relevant and valid data
- **Valid** – the fields contain real data (that reflects reality) that is clear, legitimate, authentic and exactly what it should be
- **Accurate** – the data truly reflects the information that has been received and input
- **Timely** – the data is recorded as quickly as possible and where appropriate applied in priority order
- **Relevant** – the data fulfils the needs of our business processes
- **Consistent** – the data fields are the same across systems in terms of format and standards

There is currently no template to complete in respect of an assessment, although this is under review. Programmes and Projects should create their own document, to submit alongside the SOC/OBC/FBC to explain how the system data they are dealing with satisfies the above 6 criteria. Programmes & Projects also need to take into account the Government Data Standards and HMRC Data Standards; more help with these can be obtained from the S&ID Service Desk or by browsing their web pages.

Equality Impact Assessments

Equality Impact Assessment or EQIA is a process to consider the impact of what we do on our staff and customers and improve outcomes for people in all equality groups. It's about good people management, good decision making and good project development. The process helps to show that you are meeting your legal obligations to eradicate discrimination and promote equality.

Extract from the HMRC internal guidance

Further information: contact [redacted]

People Impact Assessment

The People Impact Assessment (PIA) is a series of tools to help anyone involved in change think through the implications for their people to make the process as comfortable as possible for them, minimising the impact on performance and motivation.

A PIA provides assurance that the people impacts, the associated risks and the mitigating actions have been fully considered, documented and that the risks and mitigating actions included in project plans.

The PIA tools (listed below) are available on the 'PIA' webpage

- People Impact Assessment introduction
- People Impact Assessment guide
- Identifying the people impacts, risks and mitigating actions template and guide
- Assurance for Decision-makers guide.

Further information: contact [redacted]

Privacy Impact Assessments (PIA)

Privacy Risks and Public Perception

The public have become increasingly interested in how we ensure the privacy of their personal information that they entrust to us. They understand that government departments will use information technology to centralise large volumes of information and this, coupled with negative reports in the media, can lead to issues of trust over potential data losses and intrusion into privacy.

Privacy Impact Assessment (PIA)

The Cabinet Secretary commissioned a report on the data handling procedures in Government. The report, Data Handling Review, was published in June 2008 and it established mandatory PIAs for all Government Departments.

The PIA is a risk management technique that helps organisations to identify and deal with the likely privacy impacts of new initiatives to ensure data protection compliance. It's important that Privacy risks are considered early in the design of a new initiative to avoid expensive re-work. Risks can be managed through the gathering and sharing of information with stakeholders in the form of a consultation. Systems can be designed to avoid unnecessary privacy intrusion and features can be built in from the outset that will reduce the risk of privacy intrusion.

Carrying out and documenting a PIA can increase public confidence in the change taking place, which can lead to a higher level of stakeholder buy-in.

In summary, the reasons an organisation undertakes a PIA are as follows:

- The avoidance of loss of trust and reputation
- The identification and management of risks
- Cost avoidance

Extract from the HMRC internal guidance

- Meeting and exceeding legal requirements.

The Information Commissioner has provided information to help us produce a Privacy Impact Assessment. Please browse their pages for more guidance (web)

Scope

Not every new initiative will require a Privacy Impact Assessment. New government initiatives involving:

- the use of personal data that's not already in the public domain;
- the introduction of new handling procedures; and
- the introduction of new processes

must all be considered for impact assessment.

Typically, new initiatives will be managed as projects but they may alternatively take the form of policy changes, budget measures, business developed applications (BDApps) or change requests to existing systems.

Personal data is defined as information that identifies a living human being.

The Privacy Impact Assessment Process

If a new initiative meets any of the criteria bulleted above, the recommended approach is to carry out a short, preliminary study in the form of a "Screening" process. This assesses the initiative against four sets of criteria. Screening helps to identify privacy risks and the appropriate compensating controls that will be/could be applied against them. It will also help confirm privacy law and the Data Protection Act (DPA) compliance.

After the screening process is completed, it should be clear whether a Privacy Impact Assessment is required and if so, whether a full-scale or a small-scale one is needed. As well as addressing compliance, screening helps to identify public perceptions which need to be addressed.

If an assessment is not required, this decision and the information that led to it must be recorded in the formal programme or project documentation.

Where an assessment has been carried out, a Privacy Impact Assessment report is required, which may be published or distributed to participants and wider stakeholders.

For details of HMRC's PIA process - PIA guidance (PDF 732kb)