

# Accessing HMRC services: the role of the community sector





# Summary



Online Centres help people to interact more confidently with HMRC benefits and tax services. They use their holistic support model to identify and respond to a range of user needs. This report characterises these needs and the impact of Centres' responses to them. It presents usable typologies of the advice and guidance which the community sector excels at.

In their benefits advice work, Online Centres:

- Raise awareness of HMRC benefits among people in financial difficulty
- Support the apprehensive to make their first claim
- Help existing claimants to better understand their reporting obligations
- Act as intermediaries in situations where claimants struggle to report independently to HMRC
- Advocate for people when they struggle to challenge a decision that they feel has been made incorrectly.

In their tax advice work, Online Centres:

- Encourage people who have the vocational skills but not the confidence to enter self-employment, by explaining the obligations of self-assessment
- Teach newly self-employed individuals how to keep orderly business records
- Advise unprepared traders on how to deal with approaching tax return deadlines

- Negotiate manageable repayment schedules for people with large tax bills or penalties.

Online Centres are experts in mobilising these functions when they recognise specific needs in people. Their support assists people to enter and maintain employment. This realist report examines the mechanisms behind this work and demonstrates the centrality of community organisations in facilitating access to HMRC services.

# Recommendations



This report demonstrates that Online Centres improve access to HMRC services. They also provide additional help which complements their advice work. Centres' wider services improve people's language skills, digital competencies and ability to enter employment. This multifaceted support improves the likelihood that people will maintain stable work. The holistic model of support found in the community sector strengthens the policy function of HMRC benefits.

On the basis of this report's findings, Good Things Foundation proposes that HMRC and other government departments take the following actions to improve their support for the most vulnerable in society:

1. **Make a strategic commitment to continue supporting the Online Centres Network to deliver advice, guidance and assisted digital public services.** Our research shows that Online Centres play an ongoing role in helping some users interact with HMRC and other government bodies. This should be acknowledged through continued financial support for the activities of Online Centres and the community sector more widely.
  - Although the migration of HMRC services online is perceived positively by both Online Centre staff and many users, the transition to these services is

complex. Support must remain in place to assist those who are less able to access HMRC services digitally. Online Centres already have experience and expertise in digital inclusion and would be well placed to provide assisted digital access for HMRC users.

2. **Invest in further user research and partnership with Good Things Foundation and the Online Centres Network.** The difficulty that otherwise capable claimants face when attempting to challenge an HMRC decision suggests that the structures and services underpinning the challenge process could be significantly improved. We urge that HMRC and comparable government departments conduct substantial user research into the use of digital and assisted digital services. This will improve user experiences for people accessing public services and reduce the need for advocates in the community sector.
3. **Provide more extensive record-keeping guidance for self-employed people.** Online Centres report a rapidly growing need for this type of guidance. Our primary and secondary research indicates that this demand will increase as self-employment continues to become a larger part of the labour

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market. Additionally, Universal Credit is starting to place greater reporting obligations on self-employed people than many have previously experienced. We recommend that HMRC and the Department for Work and Pensions (DWP) create provision of this support either by training the community sector to provide it, or by investing directly in their own guidance resources.



# Chapter 1: Introduction



## Project Purpose and Context

Since 2015, Good Things Foundation and its Online Centres Network<sup>1</sup> have supported people seeking help with their benefits and tax. HMRC funding worth £1.1m has already provided almost 25,000 individuals with a range of advice and guidance on HMRC-specific queries.

48 Centres across England have run drop-ins, appointments and workshops to provide this service. They have helped families, sole traders and people with additional needs to access the following services:

- Working Tax Credits
- Child Tax Credits
- Child Benefit
- PAYE
- Self-Assessment

The project has helped people to better manage their income, challenge unfair decisions, and access additional financial help where it is needed. It has increased awareness of HMRC services and enabled people to make the transition into work.

Online Centres have been crucial to the success of the project. They combine holistic community support with expertise in digital skills training, providing vital help in the transition to an ever more digital society. They work with individuals who do not yet have the

skills to access services as they move online. HMRC's transition to digital services is partially underway, meaning that Online Centres participating in this project provide both online and offline guidance to individuals.

Community centres are committed to being as responsive as possible and typically provide a range of linked support services.

They are accessed by people in need because they are situated in deprived communities. These are the unique strengths of the Online Centres Network<sup>2</sup>, but they also mean that projects run through the network are necessarily complex.

The HMRC project is complex because the organisations delivering it are diverse and deploy a range of different resources<sup>3</sup>. Geographical and socioeconomic contexts vary at each delivery point, and the breadth of advice topics allows for large variation in the personal circumstances experienced by each project user. Additionally, the problems that project users have are often complicated and difficult to resolve.

## Methodology

We needed an evaluation methodology which would address this complexity in order to really understand how the project has had an effect on people's lives.

**Realist evaluation** acknowledges that an intervention is likely to vary in implementation and effectiveness when it operates in different settings and with different groups of people. In this way it is suited to complex projects.

Realist-informed approaches to evaluation are guided by the core enquiry "*What works, for whom, and in what circumstances?*"<sup>4</sup>. They focus on how three areas of a project relate to each other:

- The **context** of a project, including the circumstances of the people it helps (ranging from personal beliefs to the legislative environment)
- Typical **mechanisms** or working elements of the project: how a project responds to the circumstances of the people it helps and what makes it effective
- The range of **outcomes** that the project produces when different mechanisms respond to different contextual needs.

We conducted extensive qualitative research with staff, volunteers and project users across 11 Online Centres to investigate the contexts, mechanisms and outcomes specific to this project. This research informed the development of two typologies of HMRC-related support.

The first of these typologies summarises benefits support. It describes the diverse needs of people who sought benefits advice at Online Centres. The typology links these needs with the specific ways that Online Centres respond to them. The second typology applies the same approach to support with tax self-assessment.

The typologies have both a visual and written component and form the main body of this report. They describe the work of the project whilst capturing its complexity and the nuanced ways in which it helps people.

The typologies are presented in Chapters 3 and 4 of the report. Before they are presented, Chapter 2 explains more about the HMRC services which the project has provided assistance on.

Following the typologies, Chapter 5 discusses some of the broader impacts of the project. Chapter 6 reflects on the understanding that we now have of the project and makes recommendations for future work. A Methodological Appendix can be found at the end of the report.

# Chapter 2: HMRC Services - the Advice Components



As a government department, HMRC is responsible for both providing certain state benefits and collecting taxes. These distinct functions require people to interact with its services in different ways, and produce variation in the types of queries that users have when they seek help from a Centre.

Here we introduce the most important HMRC functions addressed through the advice project to provide some context to these types of queries and how Centres respond to them.

## HMRC Benefits

HMRC administers several forms of state support to people of working age in the UK. The Advice and Guidance Project typically assists people with three of these benefits.

### Child Benefit

- A payment available to all parents of children under the age of 16
- Claimable for all children, regardless of family size
- Its simple eligibility rules mean that claiming Child Benefit does not generally involve much ongoing communication with HMRC (outside of changing family circumstances)

### Working Tax Credits (WTCs)

- A 'top-up' benefit available to people who have a low income, despite being in work

- The claimable sum relies on both a person's weekly income and the number of hours they have worked<sup>5</sup>
- Changes in these variables must be promptly reported to HMRC to ensure that the correct sum is paid
- If this is not done, claimants may have to pay a penalty sum
- Claims are established and renewed annually. Initial awards are based on the previous year's income, meaning they are provisional and subject to amendment as the tax year progresses.

Claimants may need to amend estimates to reflect their income as it develops.

### Child Tax Credits (CTCs)

- A 'top-up' payment available to families or single parents can claim if they are on a low income, regardless of whether they are in work
- In most cases, only claimable for up to two children
- Also established on an annual basis and subject to similar amendments as WTCs

WTCs and CTCs are both administered by the Tax Credit Office and are paid together, meaning that interruptions to one benefit will likely affect the other. For people who claim both Tax Credits, there is potential for extreme disruption.

## Tax

- The Advice and Guidance Project provided guidance on several specific taxes<sup>6</sup>, but the majority of queries related to Income Tax. This is collected by HMRC either through PAYE or via self-assessment, depending on whether someone is employed or works for themselves.

## Pay As You Earn (PAYE)

- The system by which employees (constituting the majority of economically active people) pay most of their tax
- National Insurance and Income Tax deductions are taken directly from payslips before wages or salary reach an individual
- Operates via a system of codes which vary according to factors such as the number of jobs/income streams a person has, and if they receive employment benefits
- Changes in jobs or working multiple jobs part-time can result in someone being placed on an incorrect tax code, meaning that person will pay too much or too little tax.

## Self-Assessment

- The system by which self-employed people (or those earning significant additional untaxed income such as from rental property or share dividends) pay Income Tax
- Earnings are declared in a tax return completed after the end of the tax year in April
- Individuals paying tax via self-assessment need a Unique Taxpayer Reference (UTR), which is linked to all of their tax returns
- Traders must maintain orderly records on business income and outgoings, as these form the basis of HMRC's calculations of taxable profit
- Inaccurate, incomplete or illegible records may lead to financial penalties
- Different self-assessment tax return deadlines exist for paper and online submission (October vs. January).



# Chapter 3: Kinds of Benefits Support



Each person who interacts with an Online Centre as part of the HMRC Advice and Guidance project is an individual with their own set of unique life circumstances. Their family life, living situation, and working status are particular to them. So are their skills, past experiences, attitudes and fears.

Over the course of several months' research we met enough diverse people to understand that the way in which users seek help from an Online Centre often takes similar forms. There are typical circumstances which users may find themselves in when they access HMRC support at an Online Centre. Additionally, how a user presents to an Online Centre is closely connected to the sort of relationship they are likely to have with HMRC.

We summarise these multiple relationships in a typology, displayed on page 10. It represents typical user needs of benefits claimants and how an Online Centre would respond to these needs. These interactions between need and response provide a series of mechanisms unique to community support.

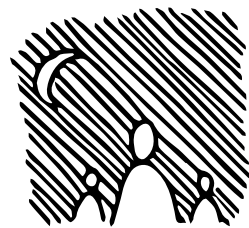
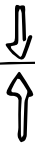
The lower half of the typology plots five typical user situations along a spectrum of familiarity with, and comprehension of, state services. From left to right the typology charts a development of increasing association between users and the state.

The upper half of the typology presents the

specific capacity that an Online Centre can mobilise to respond to each user situation. These five Centre responses correspond to the various circumstances of users and their particular relationships with the state.

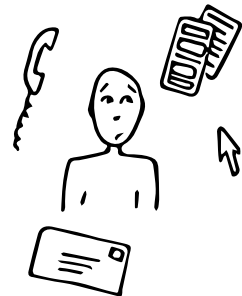
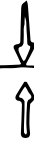
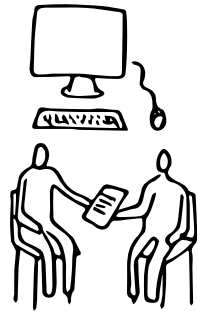
Figure 1 was developed through research conducted into advice given on Tax Credits, as these generated the greatest number of benefits-related queries over the course of the project. However, we stress that the need and response pattern in the typology is likely to be found whenever public services place an administrative burden on vulnerable users. Community centres provide support relating to queries that are likely to emerge from a range of public services.

Illuminators



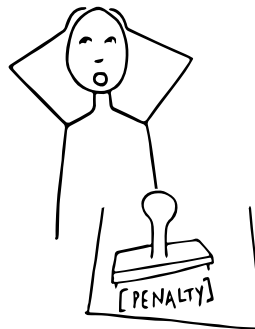
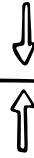
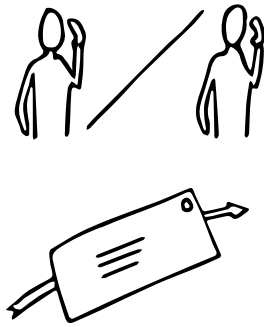
In the Dark

Safe Place to Access



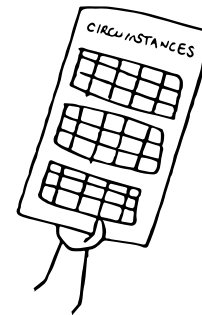
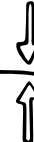
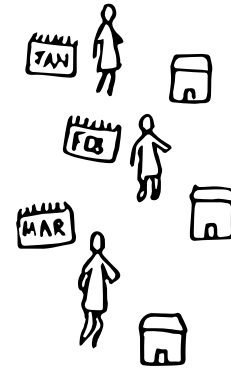
Aware but Scared

Emergency Troubleshooters



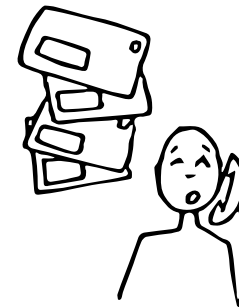
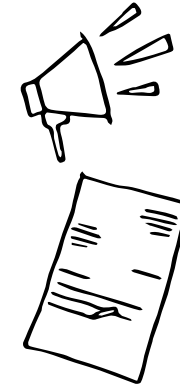
Tripped Up

Constant Allies



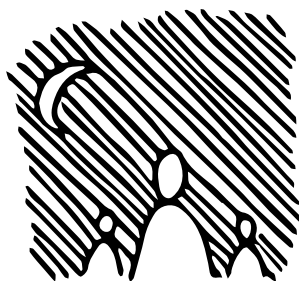
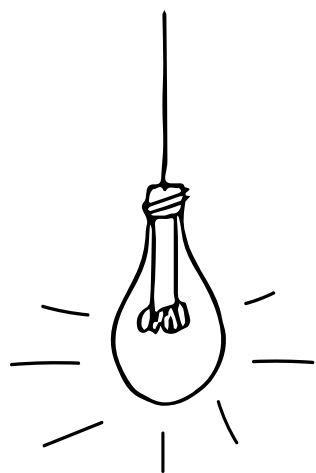
Dutiful but Unable

Advocates



Alone in the Fight

## Illuminators



## In the Dark

After being in the **dark**, people find **illuminators**

### User Circumstances

The first user group in the typology has minimal interaction with HMRC. People in this group are struggling financially but not aware that they could be eligible for further state support, including Tax Credits.

They are likely to be in poverty. They could already be in employment, but stuck on a low income. Alternatively, they might be claiming Jobseeker's Allowance but reticent to start working in a part-time or low-skilled position that they think is unlikely to support them. Users struggling in these circumstances often have binding responsibilities, such as being locked into an expensive private rental contract or having to care for young children. They may be recent migrants to the UK, have low English language skills, or suffer from low confidence.

These users are all looking for a way out of bad circumstances. Their first interaction with an Online Centre is the start of this journey.

Many users find assistance through social links in their community. Online Centres are often well known in their neighbourhood, where networks of peers with a shared language and experience tell each other about these friendly community centres where a range of help is available.

*"Some people told me, they told me to contact [the Centre] to get help with my problems. Friends. Everybody tells me, "If you've got a problem, come here for information."*

**- Cumar<sup>7</sup>, Project User in Southall**

People are likely to first use a Centre for something other than benefits advice and guidance. They might come for a community lunch, a children's clothing swap, or a free English class. By providing this open, unconditional and immediately tangible support, Centres gain users' trust.

### Centre Capacity

As users get to know the people who run their local Online Centre, they often become more comfortable opening up about themselves. Centre staff and volunteers show an interest in their lives. Through a series of conversations, users reveal their struggle.

When they know more about the user's situation, Centre staff draw on their knowledge to help users access state support. Users may be aware of Child Benefit, but don't know anything about Tax Credits until a member of Centre staff tells them.



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*“There was one case, I remember, one of the kids was saying they were hungry at school. The school realised that granny—because I think the mother had died—was doing it all out of her pension and hadn’t known to claim all these other benefits. So we got all that sorted out. People are aware of Child Benefit, but not always Child Tax Credits.”*

**- Advisor, Online Centre in London**

*“Some clients who haven’t accessed Child Tax Credits get Child Benefit, and they think that’s it.”*

**- Sharmarke Diriye, Golden Opportunity Skills and Development**

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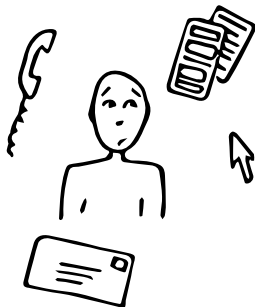
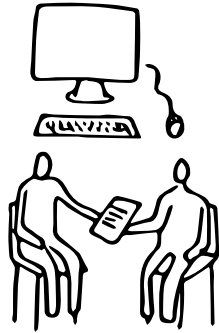
Many Centres address this lack of awareness of Tax Credits in their communities by embedding a benefit eligibility check towards the start of any ongoing relationship with users. Advisors use online benefits calculators to generate better-off scenarios, which powerfully demonstrate how much more money a user could have access to per week if they applied for a new benefit or adjusted their work to reach additional eligibility thresholds.

## **Outcomes**

At this stage, the main outcomes for individuals are:

- Awareness of additional state assistance
- Discovery of a new trusted space in the community
- Encouragement to start learning new skills  
Attendance at English language classes
- Use of computer drop-ins
- A push to think about making changes to working patterns

Safe Place  
to Access



Aware but  
Scared

People who **are aware but scared** use their **safe place to access** services

### User Circumstances

*"One of the things we've found is that a lot of people from different communities have this issue about liaising with organisations like HMRC. They have this kind of fear that so they have to go through an organisation or have someone do it on their behalf."*

**- Sharmarke Diriye, Golden Opportunity Skills and Development**

Users who are aware of Tax Credits may remain hesitant about submitting an application. Low confidence, literacy or language skills can essentially prohibit some users from completing a form or communicating with HMRC on their own, even if they are aware of its services.

*"A lot of what we're doing is actually more admin as well, because people just don't have the confidence, because they're scared."*

**- Advisor, Online Centre in London**

Vulnerable users find paper forms to be unwieldy and overwhelming. People become confused by form subsections which may or may not have to be filled out for their particular case. For this reason, Centres and learners alike recognise the benefits of the transition

towards online forms, which can automatically filter out sections which specific users do not need to complete.

*"Instead of [a form] being 93 pages long, when they start putting their details in, it fits that form to them, so it kind of reduces it down so they only put in what they need to fill in."*

**- Advisor, North Manchester Community Partnership**

Centres acknowledge the time saved by completing forms and other HMRC-related tasks online rather than by phone. During our research, users and advisors often described their frustration with the poor service of the HMRC helpline.

However, many users who are aware but scared also struggle with using digital technology. Regardless of whether a form is on paper on a device, their need for assistance persists.

### Centre Capacity

Advisors address these users' needs in a variety of ways. They often provide a direct assisted digital service, sitting together with users at a computer and helping them enter their details correctly. A learner at a Centre in South West England compares trying to complete her Tax Credits form on her own with having an advisor guide her through it:

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*"You don't know what applies [to you], so it definitely is helpful having somebody there. Otherwise you think, "Oh God no," you get a mental block. And then you think, "I'll do it tomorrow," and that's how it carries on. And you can't carry on getting on, if something else is stopping you. And that's where the stress comes into it."*

**- Julie, Project User in South West England**

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Centres also provide broader digital skills and ESOL training to help users become confident enough to submit claims themselves.

Online Centres are accepting and non-pressuring environments which encourage steady learning and the embedding of skills. With gentle encouragement, users can move from minimal engagement with digital technology, through sitting and watching advisors using computers, to tentatively trying things out for themselves - taking as long as they need.

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*"Carol will be a perfect example for you today. She was so scared of filling forms in, and she sat with me and she couldn't believe it [...] now she's quite confident of actually doing a form herself, because she's realised it isn't that scary. It's taking that small step with them. A lot of people - especially with the Jobcentre again - are forced to learn computers. [We] don't force anybody to learn computers [...] People can come and do 20 minutes with me if that's what they want to do. I'd rather do 20 minutes five times a month than they sit with me for five hours and go away and forget the lot of it."*

**- Advisor, North Manchester Community Partnership**

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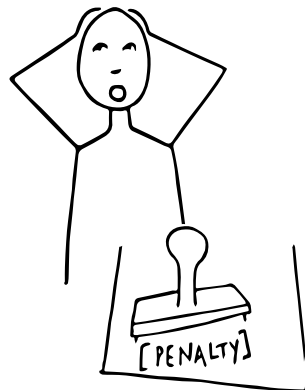
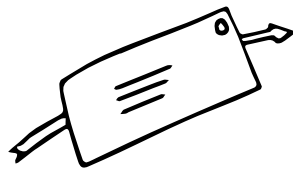
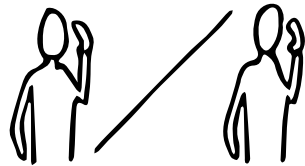
For users who are **aware but scared**, having a trusted advisor by their side as they navigate HMRC services gives them assurance that their communication is appropriate and accurate.

### **Outcomes**

- Confident and accurate submission of a new claim
- A new income stream



## Emergency Troubleshooters



## Tripped Up

### Claimants who have **tripped up** need **emergency troubleshooters**

#### User Circumstances

As people start claiming benefits, they begin to interact more heavily with HMRC. Some of this contact can be complicated. Working Tax Credits provide an example: they are calculated in response to a number of factors in a person's life. Some of these are circumstances which can change on a short time frame. Each time they do change, the claim must be adjusted to reflect the altered circumstances.

The most frequent change is a person's weekly total of working hours. Recent developments in the UK economy such as the proliferation of zero hours contracts<sup>8</sup> and growth of the gig economy<sup>9</sup> mean that more people are working non-regular hours.

Legally, Working Tax Credit claimants must notify HMRC of any instance when their or their partner's working hours drop below the level at which entitlement starts to apply<sup>10</sup>. Depending on a claimant's specific circumstances, this threshold could be 16, 24 or 30 hours per week.

For people on zero hours contracts, falling below these thresholds is not uncommon. Changes to working hours must be reported within a month. If they go unreported, claimants continue to receive Tax Credits until HMRC discovers the error at a later date.

Payments received during periods of insufficient work are classed overpayments and are liable to be recovered by HMRC alongside a £300 penalty. Such overpayments can also surface at the end of the tax year if a claimant's estimated annual income deviates significantly its actual figure.

The recall of overpayments often places users in immediate financial difficulty. Quite suddenly, they find themselves in significant debt.

Centres deal with the common scenario of WTC claimants presenting with daunting sums of accrued overpayments which need to be repaid. These can arise because users have:

- a) been unaware of the need to report on such a frequent basis
- b) experienced difficulty in reporting due to a lack of English language or digital skills
- c) been operating under the false belief that they had already reported.

#### **Unaware of the need to report**

Some users already have a Tax Credit account established when they engage with a Centre for the first time, but have little familiarity with their obligations.

Over time, their circumstances have changed and they no longer qualify for Tax Credits on a constant basis, meaning they have received a series of overpayments. The user is notified by HMRC that they must repay these sums plus a penalty levy. This combines with their lower working hours to place them in acute financial crisis and with a deteriorating relationship with HMRC.

### Difficulty in reporting

Other users are aware of the need to report, but find it hard to consistently update HMRC. The challenge can be compounded by poor English language skills. Users may attempt to report, but find the experience of calling or writing to the Tax Credits Office stressful and time-consuming. Claimants who need help with translation find they cannot rely on friends or family members to help them with this task on such a frequent basis.

*“Somebody, for example, on a zero hour contract: they’ve been told by the agency—mostly people work for agencies, not directly with the employer—[that] they haven’t got a job maybe the following week. So this person has to inform the Tax Credit Office for that particular week. [...] You can imagine: how many times will you be able to do that?”*

*“So people end up not informing, and of course some people don’t even know that they have to inform, and then later on [the Tax Credits Office] always come back to people, maybe one or two years later on, to say “We overpaid you,” and then of course there’s no money to pay!”*

**- Sharmarke Diriye, Golden Opportunity Skills and Development”**

In these circumstances, reporting falls from users’ lists of priorities. Claimants do not report as needed, overpayments build up, and the user is placed in debt.

### Attempting to report in the wrong way

For a further group of users, the main barrier to accurate reporting is confusion in the face of a complex system. Many Tax Credits claimants also receive other benefits. A typical user could be claiming Housing Benefit from the Council, as well as benefits from both the Department for Work and Pensions and HMRC.

*“What is the biggest confusion for residents? It’s about which benefit you get from where. So you go to HMRC for certain benefits, you go to the Jobcentre for other benefits, you go to your council for Housing Benefit and Council Tax Reduction.”*

**- Advisor, Northmoor Community Association**

*“A common thing is not all clients see the HMRC and DWP as separate entities - and the council. So because they’ve told one person something, they kind of assume that everybody knows.”*

**- Advisor, Online Centre in London**

This leads to users reporting changes in circumstances to the wrong authority, or failing to report information that is relevant to one authority and not another. This results again in the risk of Tax Credits overpayments and the need for recovery by HMRC.

### Centre Capacity

In each of these scenarios, users face overwhelming and acute **(financial distress)**. Online Centres respond by intervening as a **(supportive third party)** to help users to quickly **(navigate their indebted situation)**. Centre staff use the information that users give them about their circumstances to assess whether it is worth **(challenging the overpayment sum)** via mandatory reconsideration<sup>11</sup> or attempting to **(negotiate a more achievable payment schedule)** if claimants have been asked to repay a lump sum.

Centres are familiar with the appeal process, the obligations of HMRC towards citizens, and the scope for negotiation within the system. They can decisively act on behalf of a claimant to minimise the worsening of their financial position.

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## Outcomes

The possible outcomes for this user group can be negative as well as positive, depending on how a person responds to their individual crisis (reflected in the benefits user journeys further into the chapter):

### Negative

- A retreat from claiming, back to being aware but scared:

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*"We have clients who won't claim Tax Credits because they've got into so much trouble in the past with the way the system works, that they're too scared to - even though they do qualify now. If you've been hit for huge overpayments that you're still paying off, even if you qualify now, some people just don't want to touch it with a bargepole."*

**- Advisor, Online Centre in London**

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### Positive

- An increased awareness of responsibilities:

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*"Interviewer: Will you do anything differently when it comes to tax now? Have you learnt anything from this experience?"*

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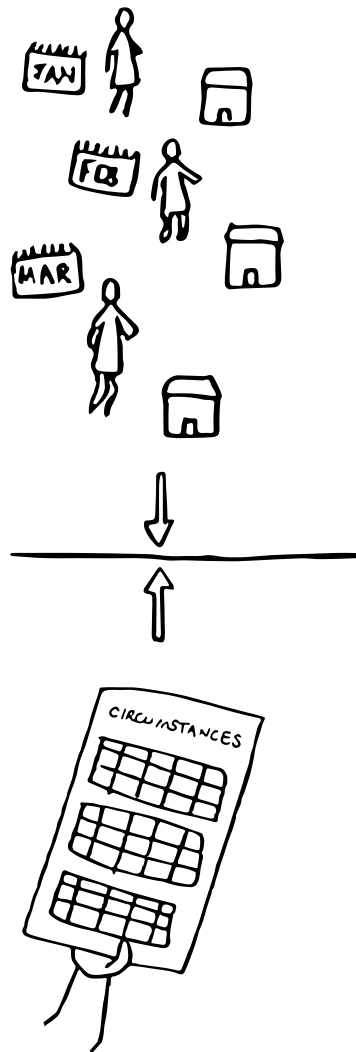
*Beneficiary: To return papers that are coming. So I talk [to my advisor], [and] I am understanding. Here there is a community, and [my advisor]."*

**Yuusuf, Project User in Southall**

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- Negotiation of a manageable repayment schedule



## Constant Allies



Dutiful but  
Unable

People who are **dutiful but unable** find their **constant allies**

### User Circumstances

Some users recognise the importance of on-going communication with HMRC. However, they may still experience persistent language and skill barriers that prevent them from doing this. Even if they have a good level of conversational English, it can be difficult for users to confidently interpret the language of government. These users often need help.

One project user we interviewed was a Somali man working as a delivery driver. He once incurred overpayment charges and has since been vigilant in the way he reports to HMRC. He knows that he needs to report when his hours change, and realises that his local Online Centre can help him with this responsibility, which he does not feel confident enough to undertake alone. He now acknowledges that “the journey never ends”, but also knows that if he gets the right help, he can avoid overpayment crises.

### Centre Capacity

For these users, Centres become constant allies. They communicate with HMRC on behalf of users and mediate the small changes in circumstances as they happen. When people realise how Centres can help them, they adopt a common tactic. Each time they think they need to report, they bring information to their Online Centre.

Most Centres are not frustrated by these repeat visits:

*“With our residents it’s about getting them to a point where they feel comfortable they can come in if they’re struggling.”*

**- Advisor, Northmoor Community Association**

Instead they see them as a positive development because they signal that users are seeking assistance when they need it. Frequent engagement with a Centre in order to communicate with HMRC indicates that a user has recognised the closer intricacies of the system and is less likely to end up in debt.

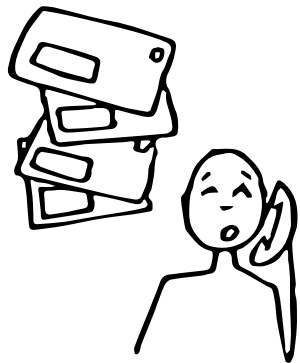
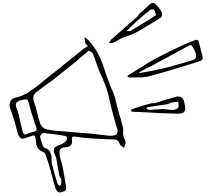
### Outcomes

- Maintenance of active benefit claims
- Reduced risk of overpayment crises
- Effective communication with HMRC
- Sense of being surrounded by a supportive community

*“Community. That’s confidence.”*

**Yuusuf, Project User in Southall**

# Advocates



# Alone in the Fight

## People who are **alone in the fight** meet **advocates**

### User Circumstances

The users who are already most engaged with HMRC approach Centres' advice services from a distinct perspective. People who feel alone in the fight are already engaged in active dispute with HMRC, but are unable to progress their case.

They are able to pursue a dispute because generally they do not face language barriers. However, although these users are able to start an official challenge, they find it hard to pursue. Their confidence and resilience when dealing with authorities is low. After a series of unsuccessful communications, they feel they can no longer make progress without support.

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*"I felt that I was talking to the wall. I even tried to write a letter, but they didn't acknowledge it either, or accept it. They are so aggressive, they don't want to listen."*

**- Chibundo, Project User in London**

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These users engage with an Online Centre in the hope of finding someone who can present their case more forcefully and with greater effect than they can alone. This scenario is powerfully illustrated by the case of Adaolisa, a 49 year-old single mother of three children from London.

Adaolisa had been a long-term claimant of Tax Credits, which supported her alongside her part-time work as a healthcare assistant in the NHS. She also received the additional childcare element of Working Tax Credits, which helped her to pay an approved childminder to look after her youngest child.

Adaolisa quickly fell into arrears with her Council Tax and childminder when HMRC stopped all of her Tax Credits payments, after she missed the deadline to renew her claim. She contacted HMRC and tried to explain why this had been the case: she had recently moved house, and despite setting up a forwarding address, the relevant HMRC documentation had a delayed arrival at her new address. By the time it arrived, Adaolisa was caring for her brother who was recovering from major heart surgery.

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*"I was running up and down, trying to fix things, because when [my brother] finished his operation, he came home and I was looking after him. I had to bathe him, I had to clean him, make sure he was alright. I said [to HMRC], "All these things have come together, that's the reason why." I was trying to explain to them, I wrote a letter to them, but they refused, they said they couldn't reinstate me."*

**- Adaolisa, Project User in London**

After 8 months of pursuing her case, Adaolisa was still not receiving Tax Credits payments. Her physical and mental health had deteriorated and the recovery of her Council Tax arrears was transferred to bailiffs. Adaolisa became increasingly exasperated with her situation.

Things started to change when a friend told her about a local Centre who could probably help take up her case. Adaolisa made an appointment with an advisor and felt immediate relief when she realised she had found someone who was willing to hear her story and take it seriously. The advisor reassured Adaolisa that she was still eligible for Tax Credits and that she would be able to have them reinstated:

*"She wrote a letter to them and asked me to read it. And I read it and I signed it and said it was OK. Everything that I'd said, she wrote it, and she gave them a call in my presence, which really cheered me up. She called them and asked them why they couldn't reinstate me. And they gave a few reasons: "Well, it's too late... blah blah blah," and she said, "That's alright, if that is the case, we're going to put it in writing and I'm going to write to you." So she said, "Adaolisa, go home. Don't worry, I will write to them. I will keep pestering them. They have to pay you your money."*

**- Adaolisa**

### **Centre Capacity**

The Online Centre acted as an advocate for Adaolisa. Her advisor applied pressure on HMRC with a persistence and confidence that Adaolisa couldn't match. The Centre wrote letters and had phone conversations with HMRC to demonstrate Adaolisa's eligibility until HMRC agreed to reinstate her Tax Credits and backdate 4 months' worth of missed payments. This meant that she was able to start to paying off debts.

### **Outcomes**

- Getting a case heard
- Effective negotiation with HMRC
- Reinstatement and/or back-payment of benefits

*"They gave me that confidence that, no matter the trouble I have, I still have some people that can help me to fight my battles."*

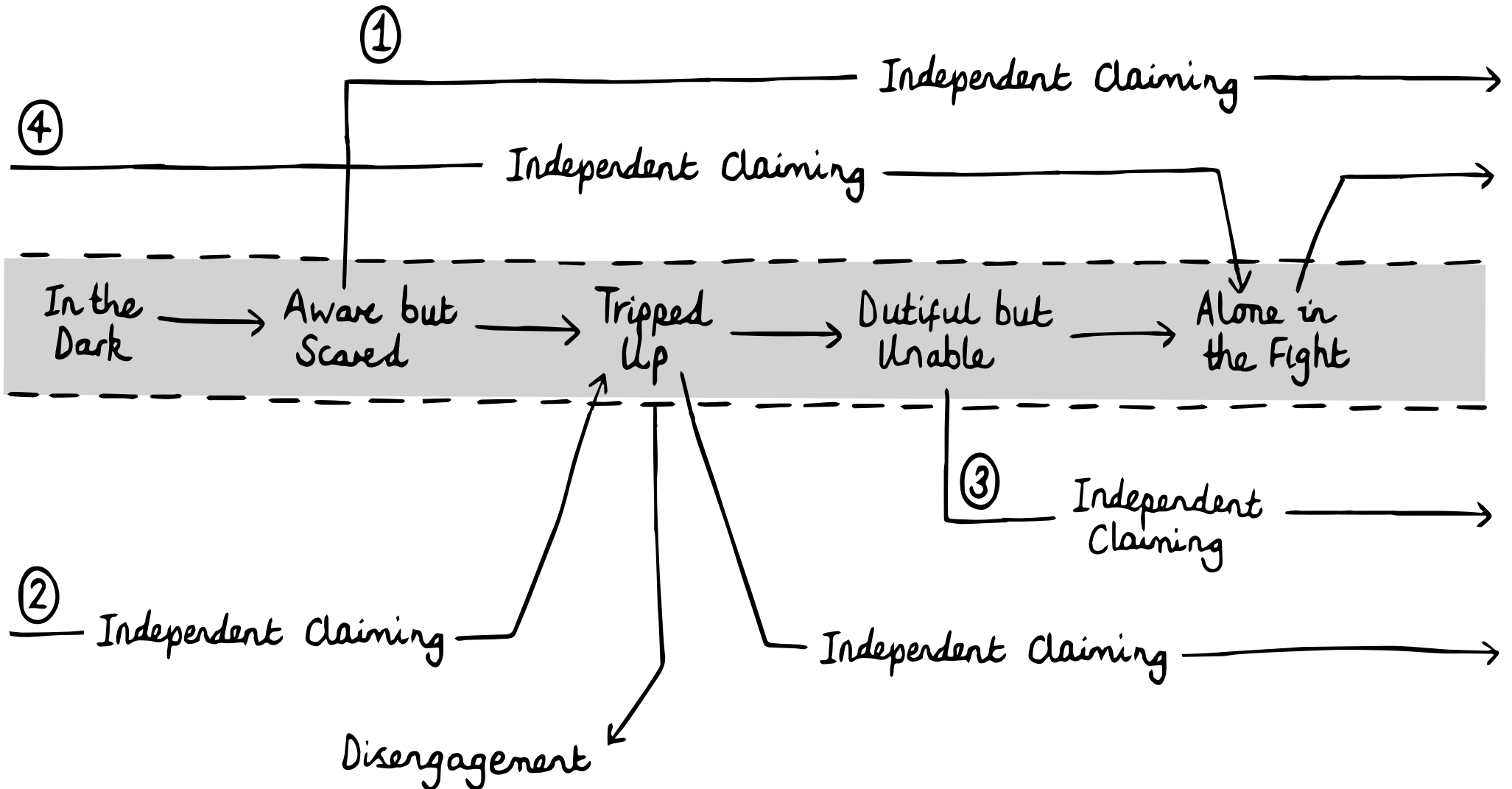
**- Chibundo, Project User in London**



## User Journeys through Benefits Support

The benefits support typology is not intended to represent the typical journey of a single user through the benefits and advice systems. Instead, it depicts characteristic points in individuals' journeys which cause them to seek help.

The illustration below supplements the typology by showing how single users' journeys might intersect with the advice service. The shaded bar represents user contexts which Centres respond to with direct assistance.



It is possible that a user may start in the dark and progress through each stage of need in close contact with a Centre. However, it is also likely that some users will only draw upon Centre support at specific points in their journey. We provide four examples here.

1. A user becomes aware of benefits and gets help applying for them at a Centre, but goes on to independently manage their claim. This happens because the user has developed the skills and confidence to communicate with HMRC independently and the Centre has effectively made them aware of their obligations.
2. Someone registers for benefits independently, but subsequently incurs penalties through failure to adequately manage their claim. This leads them to seek emergency help when they have **tripped up**. From this position, they may disengage from the benefits system; progress to using a Centre as a **constant ally**; or resume independent claiming.
3. A claimant needs Centre help with managing a claim for an extended period whilst they remain **dutiful but unable**, but eventually moves towards independent claiming.
4. A user communicates independently with HMRC effectively until they wish to challenge or contest an official

decision, where they experience difficulty. They are an independent claimant until they feel **alone in the fight**, at which point they seek the advocacy support available at an Online Centre.

### A note on Child Benefit

Although Tax Credits constituted the major component of the benefits advice delivered through the project, people also sought assistance on Child Benefit. Centres reported that these queries were often of a different nature to those relating to Tax Credits. The problems lay not in liaising with HMRC, but in personal and familial disputes surrounding claims. This reflects the much lighter bureaucratic load that Child Benefit places on claimants compared with Tax Credits. Centres spoke about disagreements when relationships come to an end and both parents assert that they should continue to receive Child Benefit payments.

*"There might be problems where partners have split and both partners are trying to get the Child Benefit, sometimes out of spite. We've had a few like that. Say that the mother (usually, [but] sometimes the father) is the one looking after the children, but the other [parent] will keep trying to put the claim in [...] the trouble is [HMRC] will often close the mother's claim because the father has claimed, and it's more of a battle—a family issue, rather than anything else."*

**- Advisor, Online Centre in London**

In these cases, Centres can act in a similar role to the **advocate** response in the benefits typology, clarifying disputed circumstances to HMRC and presenting individuals' situations to other decision-making authorities.

Notwithstanding this observation, many Centres specialising in benefits advice are located in communities where English is not spoken as a first language. Centres give users with additional language needs guidance on interpreting, completing and sending off Child Benefit forms, much like a **safe place to access** in the benefits typology.

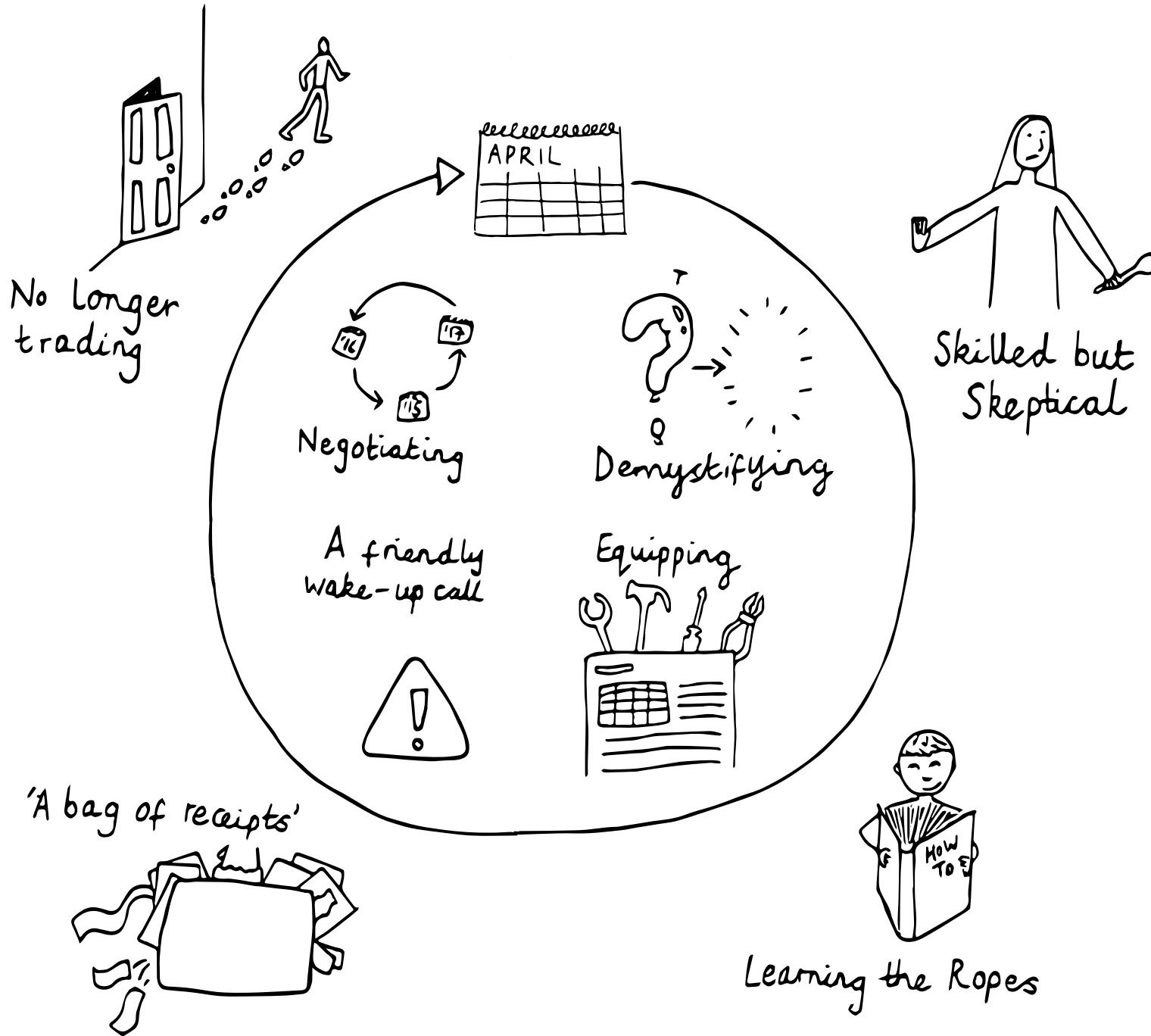
Unlike Tax Credits, there is widespread awareness of Child Benefit in most communities. Wai Yin Society, a Centre in Manchester, described how local Chinese mothers arrive at the Centre asking about 'milk money', which the Centre has learnt is their shared term for Child Benefit. There is thus much less need for Centres to act as **illuminators** for Child Benefit.

## Chapter 4: Kinds of Self- Employment and Self-Assessment Support

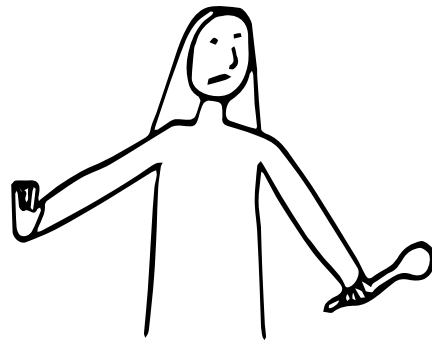


In Chapter 3 we presented the range of circumstances that users seeking support with benefits can have, in addition to the responses that Centres can mobilise to assist each type of user circumstance. Here we apply a similar treatment to the range of contexts which cause people to seek help with personal tax affairs. The result is a typology of support with self-employment and self-assessment<sup>12</sup>.

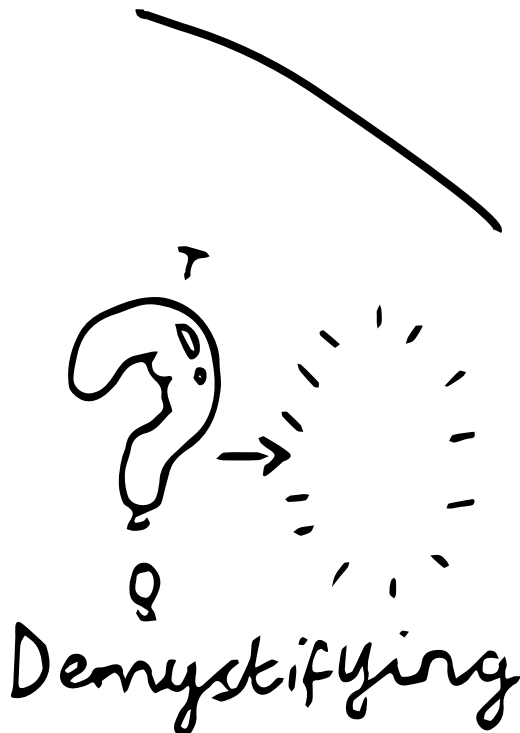
From our research, we developed profiles of users with varying levels of self-employment and self-assessment experience. The typology matches these profiles with corresponding response activities from Centres. 4 user personas and their touchpoints with the project are plotted along a conceptual timeline that ties in with the tax year. The profiles start with the first user group sitting just after April: the skilled but skeptical.







Skilled but  
Skeptical



People who are **skilled but skeptical** see how self-employment can be **demystified**

#### User Circumstances

People in this user group are proficient in a particular skill that could become an additional income source – such as carpentry, cooking or design. However, they choose not to pursue this skill as an income-generating activity because they perceive the obligations of self-employment to be complicated and out of their reach.

*“I think people who have got [job-specific] skills but lack digital skills in a bigger way, and [who] also don’t have confidence in spoken English, I think they are the ones who still have the ambiguities and think “Self-employment is not for me. It’s like business – I have to be in a coat and a suit to be self-employed.” I’ve seen, it’s how our users view it. So for example this lady, Manuela. She’s very good at making earrings and other things, and that’s a little self-employment opportunity.”*

**- Malathy Muthu, Skills Enterprise**

#### Centre Capacity

As described in the previous chapter, many organisations in the Online Centres Network play multiple roles in the lives of people who interact with them. Over time, people who attend a Centre’s activities develop trusting relationships with staff or volunteers. They

begin to share more of themselves and their life circumstances with others.

In this way, Centre staff become aware of people’s life challenges, but also their (assets). They see where individuals could utilise their skills to greater effect, and (encourage) them to do so.

Many of the advisors involved in the HMRC Advice Project have (lived experience of self-employment). They use this experience to support users by sharing their own understanding of self-employment and self-assessment.

*“...because I’ve been self-employed myself I know how to do [it]. I’ve spent the last two years explaining to people that self-assessment is not as hard as you think. Most people like me, a tutor or a builder, they don’t need an accountant, it’s something they can do on their own. They can do the cash-basis [accounting]. It’s a very simple in and out—very simple form.”*

**- John Curtin, North Manchester Community Partnership**

Elucidating what is involved in self-employment and self-assessment is an important step for people who do not consider it because they believe it is too complicated.

When advisors a) focus on people's strengths and b) share their own experiences of self-employment, they provide two sources of confidence to users. Through their advisors, skilled but skeptical individuals witness what is possible by hearing stories of lived experience. They also receive crucial encouragement from trusted people who know their strengths. Witnessing success in others who share your characteristics and receiving encouragement from respected places are two of the key sources of confidence to act. This is a concept of self-efficacy developed by Nesta<sup>13</sup>. Services which support confidence to act by building hope, confidence and sense of purpose – and enabling people to set personalised and realistic goals – are examples of what Nesta terms 'Good Help'<sup>13</sup>.

Strong interpersonal relationships between Centre staff and users form the fundamental basis for this type of help and underpin the main advice mechanism in this stage of the typology. For users who decide they want to pursue self-employment more seriously, some Centres also refer users to a more formalised service that can provide more intensive support on areas such as VAT registration, business planning and funding options.

Some Online Centres are unable to commit the time necessary to help sole traders in this way, coping with demand in other advice areas. Others recognise the limits of their own expertise and so use their partnerships with specialist services to ensure users receive the best guidance possible.

*"We do signpost and refer to other organisations for them to support the setting up of a business. [...] We try and link them in with those to get them thinking about things like business plans, income and expenditure sheets, and trying to get that built in as early as possible, because although we could probably help them with setting that up initially, we have a restriction on time. That's when our time factor kicks in."*

**Advisor, Northmoor Community Association**

Some of these more specialist services can also be found in the Online Centres Network. These organisations are studied in the next section of the typology.

### **Outcomes**

- Willingness to engage with the idea of self-employment
- Initial understanding of how self-assessment and the Personal Tax Account



Those keen to start **learning the ropes** have the opportunity to **equip** themselves with skills

### User Circumstances

This group of project users already feel comfortable with the potential idea of entering self-employment. However, they also recognise that they lack certain skills that would give them a stronger foundation for success. Some of these users were previously skilled but skeptical, but have been encouraged to consider self-employment by Centre staff. Others consciously seek assistance from a Centre specifically for self-employment, having already decided for themselves that it is an avenue they want to pursue. If this is the case, they may have been referred from their local Jobcentre Plus or discovered the HMRC Advice Project through their own independent research. These users are generally (not entering self-employment under duress). They normally have (sufficient literacy, numeracy and digital skills) to eventually manage their own tax affairs once they understand the principles of record-keeping and commence working for themselves.

### Centre Capacity

At a Centre able to provide this sort of support, users are introduced to a small team of trained business advisors. They may also have access to a set number of free 1-to-1 business advice sessions.

During these sessions they can develop their business plan and seek further expert advice. Users also attend series of group-based workshops on topics such as invoicing, financing a new business, and marketing. HMRC-specific advice (on tax-deductible business expenses, VAT registration, relevant deadlines and obligations, and what constitutes adequate and proper business records) is thus embedded in wider provision of self-employment support.

*"I went quite a lot, to see [my advisor]. Every two weeks, I think I went [...] She's so friendly and straight to the point. You ask her any questions, and she gives you the straight answer, it's no beating about anything. "This is how it is, this is what you have to do." It's made very simple."*

**- Julie, Self-Employed Cleaner and Household Help**

*"I was so glad the [Centre] has this service here—that it caters for people who are self-employed. And it's great that [my advisor] is self-employed, because then we are on the same platform and he can advise me on the dos and the don'ts of being self-employed, so I know that I'm making my contributions."*

**- Vasi, Self-Employed Teacher**



Learning the Ropes

These types of interaction give individuals the time to realistically assess the viability of their proposed business activities. It is increasingly important that sole traders do so, as the introduction of Universal Credit<sup>14</sup> will place more pressure on self-employed individuals to prove profitability than Working Tax Credits have done. Self-employed Universal Credit claimants will be expected to prove that they are 'gainfully self-employed', with organised and regular work which generates income at least the level of the National Minimum Wage<sup>15</sup>. Recent research carried out by DWP discovered that currently 67% of self-employed WTC claimants working over 36 hours a week earn less than £1,000 a month<sup>16</sup>. This places them well below the minimum level of viability for Universal Credit eligibility and means that they will be required to seek alternative employment. Online Centres delivering the HMRC Advice Project acknowledged this scenario as a future cause for concern.

Centres providing this type of advice are more formal and specialised than many others in the Online Centres Network. They are oriented towards preparing people for a successful launch as a sole trader or small business. They have classrooms available for workshops and may also provide free or **(low cost workspace)** to new sole traders who do not (yet) have their own premises to work from. They also have IT suites

where clients can register for HMRC Online Services in the reassuring presence of advisors (acting once again as **safe places to access**).

*"Yes, I [come here] to do emails and to print out worksheets relating to English teaching [...] It's like this is my business outlet where I do all the business stuff."*

**- Vasi, Self-Employed Teacher**

These Centres also tend to (keep their services openly available to clients once they have started trading) and as the time comes for them to submit their first self-assessment. They remind users that their trained coaches will be there to double check everything is in order for the tax return deadline. Centres thus stay open to further ('touchpoints') occurring between the project and the user, creating as many as are needed for the individual to feel competent in fulfilling their obligations independently. This typifies effective (scaffolding), another central element of 'Good Help'<sup>13</sup>. Scaffolding is successful when a service's support gradually retreats from intensive assistance to occasional guidance, whilst remaining available to lend help should it be necessary.

## Outcomes

- Knowledge and confidence for fulfilling tax-reporting obligations
- Time and resources to assess if a stated business idea is viable
- Understanding of the mechanics of managing one's own tax affairs
- Embedding of 'healthy' record-keeping habits and routines

*"Yes, I do my own accounting. I keep all my receipts, and everything is filed according to the year and the month. So yes, it's collecting paper."*

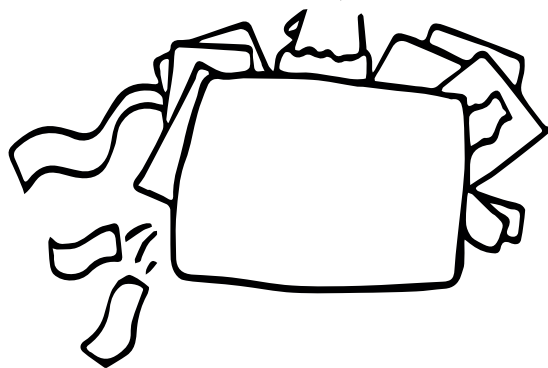
**- Vasi, Self-Employed Teacher**

*"...the paperwork, that is all about being self-employed. Do the work and get the payment and that, but you have to do your paperwork. That is essential."*

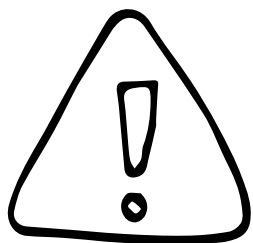
**- Julie, Self-Employed Cleaner and Household Help**



'A bag of receipts'



A friendly  
wake-up call



Sole traders with a **bag of receipts** receive a **friendly wake-up call**

#### User Circumstances

Self-employed people also seek help in more challenging circumstances. Individuals who have already started trading on a self-employed basis, but are rapidly approaching the end of the reporting window for self-assessment with non-existent or highly disorganised accounts turn up at Centres with bags, boxes or bundles of receipts. Often, the receipts may not even be relevant to their business activities, and they are likely to be out of chronological order.

*"I remember a client who came to us with a big box of receipts and things and we said, "We can't do that." We can't say, "This is your expenses and this is your milk bill," and all those things. We can't do that. And he was a bit angry. So we thought: no. We can guide, but you can't come on the 29th [i.e. just before the deadline] for last minute advice."*

**- Malathy Muthu, Skills Enterprise**

#### Centre Capacity

For these users, Centres provide a friendly but firm wake-up call that such practice is insufficient and would not be looked upon kindly by HMRC. Advisors underline to users that they can not sit with them and pore over details of months' worth of invoices, payments

and receipts. In place of this, Centres advise users on the minimum viable actions that they should take to establish more orderly accounts. This generally means cash-based accounting and paper-based record-keeping in a dedicated entry book.

*"In the beginning, when I went to [the Centre], I tipped everything on the desk and [my advisor] said, "I mean, that's enough to put anybody off. All these bits of paper," and I hadn't a clue where to start. And she showed me how to do everything [...] I've got one book now. In the beginning my book was a right muddle [...] I've got each day, how many hours I work, how many miles, and add up the total and then I do that at the end of the week, how much, and at the end of the month, I do the four weeks, and then put that in to the front of the book for the month."*

**- Julie, Self-Employed Cleaner and Household Help**

Centre staff introduce this information with more sensitivity than might come from an accountant or an official authority. For users in this situation, the Centre is a forgiving final touchpoint before they must submit their tax self-assessment. The project functions as a much-needed reality check for unprepared sole traders who may have entered self-employment in desperate measures<sup>17</sup>.

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Through our research, we discovered many advisors who do not have the time or expertise to help individuals in this situation and would want to refer them to more specialist services. However, they reported that such support for sole traders who are already established but unsuccessful is severely lacking.

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*"We get a lot of calls from people who are sole traders or self-employed, for help, and there isn't much around. And we can't help very much. There's a legal advice centre up the road that does some, but we're just not geared up for that at all. We work with some people who try and find people jobs and we're always asking, can they do some courses or help for sole traders, but the one place that we knew seems to have gone to ground. So there's not an awful lot of help in that area. A huge need for courses on how to do self-assessment [...] So you'll get quite a few people who might not have necessarily thought about being a sole trader or self-employed, [they] will go down that route, and often then don't have the skills to do even the basics to keep up. But there's not much help out there for them at the moment [...] there is a huge gap there."*  
**- Advisor, Online Centre in London**

Online Centres recommended repeatedly that public bodies including HMRC, DWP and Jobcentres should invest more thought and resources towards addressing this shortfall. This is especially since Centres perceive the problem being likely to worsen as Universal Credit is further rolled out.

### **Outcomes**

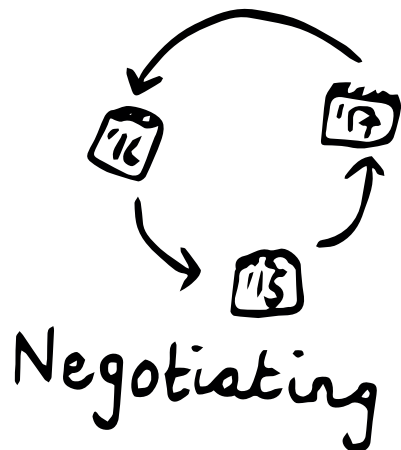
The possible outcomes for this user group can be negative as well as positive, depending on how a person responds to their individual crisis:

#### **Negative**

- Disengagement from the Centre
- Continued failure to keep records to a sufficient standard

#### **Positive**

- Realisation and acceptance of the unsustainability of current record-keeping methods



People who are **no longer trading** need help to **negotiate** their position

#### User Circumstances

People who have previously worked on a self-employed basis but have (ceased trading) also arrive at Centres in crisis. Problems arise when people (fail to inform HMRC) that they are no longer earning via self-employed activities. As a result, HMRC continues to expect tax returns on an annual basis. If these are not forthcoming, penalties are incurred, starting at £100 for up to 3 months' delay in submission. Users can quickly end up in debt.

Staff at Wai Yin Society in Manchester told us that this penalty is incurred frequently. Many users are (not aware they must report their cease of trading) in much the same way as their start of trading. The situation worsens if a user ignores initial warnings and allows penalties to accrue over several months or even years.

#### Centre Capacity

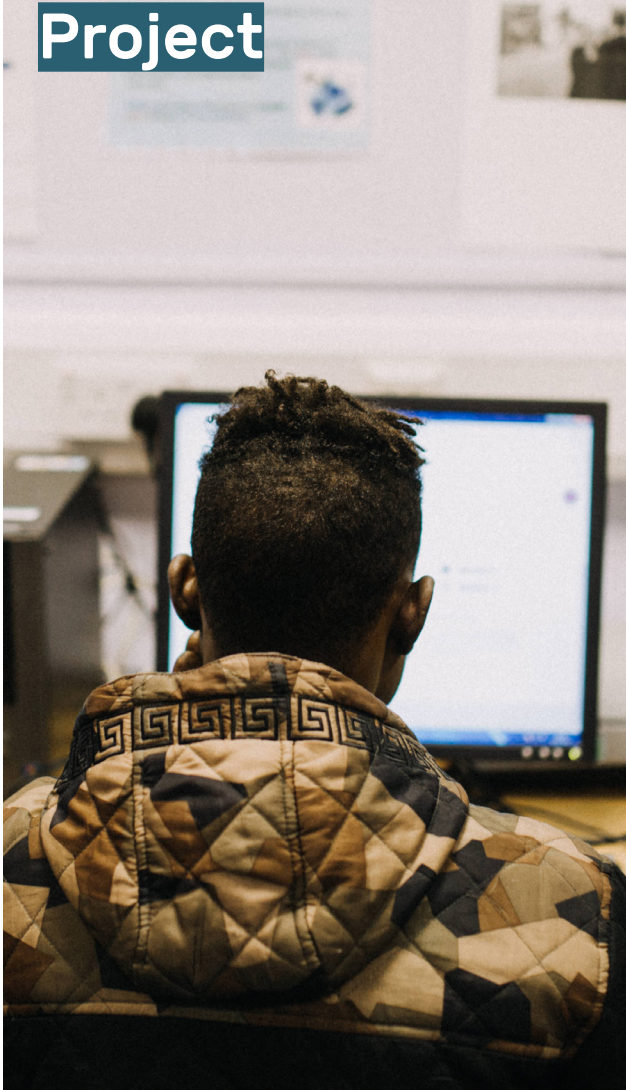
Centres in these circumstances must adopt a role similar to that of emergency troubleshooters or advocates in the benefits typology - according to how much the user has attempted themselves to rectify the situation. Staff carry out (proxy correspondence) on behalf of users who may not know where to start, helping them to communicate with HMRC. Advisors also

(negotiate payment schedules) for recovery of the HMRC penalty.

#### Outcomes

- Negotiation of manageable repayment schedule for remaining liabilities to HMRC
- Trading activities reported as ceased
- Avoidance of further penalties being accrued

## Chapter 5: Broader Impact of the HMRC Advice Project



Our research revealed a number of wider benefits of the project. These extend beyond the immediate outcomes discussed in the preceding chapters. They include a restored sense of calm, confidence, independence and optimism. Users spoke about further changes in their lives that were made possible through their seeking of help from the project. One story illustrating these types of broader personal impacts is presented here.

### Julie's Story

Julie, aged 56, has suffered with depression for many years. As a result of this, she had previously struggled to stay in employment. She sometimes finds it difficult to get up early and knows that she would struggle with any work requiring her to stick to regular hours. After explaining this to her Work Coach at her local Jobcentre Plus, she was referred to an Online Centre for guidance on how she could set herself up as a sole trader. She received one-to-one coaching from an advisor at Opportunity Plus South West, which built her confidence and self-belief. Her advisor also took her through marketing and record-keeping strategies.

Julie is now a self-employed cleaner and offers general household help to older or immobile clients in her local area. She works an average of 16 hours a week, personally arranging her working hours directly with her clients. She can choose which jobs to take on and decides which ones would be too much for her, putting

her in control.

After being out of work for many years, she now does work that she enjoys and which doesn't impact negatively on her mental health.

*"I love it. I get so excited because my customers absolutely think the world of me - because I'm a people person - and they all say, "You go that extra mile.""*

Julie appreciates the independence that her job has given her. It also improves the symptoms of her depression:

*"I love providing for myself. I used to hate being in the house because I used to get quite depressed, but you know, I've got more time [now] to think about other people."*

She acknowledges that her depression is unlikely to go away completely, but explained how her new self-employment brings her a greater sense of wellbeing.

*"It's helped. But it won't go away. I know it won't [...] but I've got a life now, I enjoy what I'm doing, and these people I'm helping—I get pleasure out of it, because they respect me and appreciate what I do."*



## Chapter 6: Recommendations



On the basis of our in-depth research of the HMRC Advice Project, we provide here a number of core messages and recommendations directed at government.

- **Make a strategic commitment to continue supporting the Online Centres Network to deliver advice, guidance and assisted digital public services.**

Online Centres play a persistent role in facilitating people's access to HMRC and other government services. Our benefits advice typology illustrated that a wide range of users struggle to communicate with HMRC independently. Online Centres use expertise in language teaching, digital skills training, one-to-one coaching and advocacy to bring users at each stage of engagement a little closer to open lines of communication. Centre activities enable many users to eventually liaise directly with HMRC. This should be acknowledged through continued financial support for the activities of Online Centres and the community sector more widely.

Related, although the migration of HMRC services online is perceived positively by both Online Centre staff and many users, the transition to these services is complex. Support must remain in place to assist those who are less able to access HMRC services digitally. There are still 11.5 million people in the UK without basic digital skills<sup>18</sup> who should not be forgotten.

Even if they use HMRC services online, many users still rely on Online Centres or other proxy users to assist them as they do so. The fact that it is the individuals most reliant on government services who are least digitally confident<sup>19</sup> should be reflected in strengthened commitment to providing assisted digital public services<sup>20</sup> to users. Online Centres already have experience and expertise in this area and are ideally placed to provide assisted digital access for HMRC users.

- **Invest in further user research and partnership with Good Things Foundation and the Online Centres Network.**

The difficulty that otherwise capable claimants face when attempting to challenge an HMRC decision suggests that the structures and services underpinning the challenge process could be significantly improved. We urge that HMRC and comparable government departments conduct substantial user research into the use of digital and assisted digital services. This will improve user experiences for people accessing public services and reduce the need for advocates in the community sector.

- **Provide more extensive record-keeping guidance for self-employed people.**

Online Centres report a growing need for this type of guidance, reflecting the rapid growth of self-employment as a segment of the labour force<sup>21</sup>. As Universal Credit is introduced and replaces Working Tax Credits, individuals in the expanding group of self-employed people in the UK will be required to report business income and outgoings on a monthly basis. Tighter checks on the profitability of self-employed activities will also be imposed. This developing situation will increase the demand for services that assist inexperienced sole traders and small business-people with accounting and record-keeping. This is underlined by recent research<sup>22</sup>.

Since not all Online Centres delivering the HMRC Advice Project have the knowledge or lived experience to confidently advise on the core elements of self-assessment, they usually wish to refer users on to more appropriate services. It is part of their holistic, open-door philosophy to support users as far as possible, even if they cannot directly do so themselves. However, Centres currently find that such support is either geographically patchy or over-subscribed. We recommend that HMRC and the Department for Work and

Pensions (DWP) create provision of this support either by training the community sector to provide it, or by investing directly in their own guidance resources.

# Methodological Appendix



This report is based on 5 phases of qualitative research carried out between October 2017 and April 2018.

## Phase 1

- **Conceptual mapping of documentation on HMRC benefits and tax policy**
- Study of eligibility criteria for HMRC benefits and identification of potential 'pain points' in claiming/ reporting systems which might trigger the need for external advice
- Generation of typical scenarios and user journeys which claimants might experience whilst interacting with HMRC services

## Phase 2

- **Observation of project delivery and informal discussion with staff at 6 Online Centres**
- Familiarisation with common delivery formats and activities; types of relationships between Centre staff and users; and the wider context in which the project operated

## Phase 3

- **Development of a high-level theory of change** describing current understanding of how the project operates
- Construction of multiple Context-Mechanism-Outcome (CMO) configurations<sup>23</sup> encapsulating in more detail the key causes of change within the project

## Phase 4

- **Testing of the project hypothesis presented in the theory of change and CMO configurations by conducting in-depth interviews at a further 5 Centres** (5 members of staff, 8 project users; all interviews recorded and transcribed in full)
- Interviews discussed the situation that users were in when they sought help; how users first engaged with the project; the nature of the activities carried out in the project; immediate outcomes; and further behaviour changes/tertiary outcomes users attributed to the project.

## Phase 5

- **Final analysis of all collected data**, including open and theoretical coding of interview transcripts and abstraction of salient themes in the data.
- Arrangement of abstracted themes into a coherent typology
- The final typologies do not follow the traditional construction of CMO configurations. However, they are fundamentally realist outputs as they explicitly seek to explain "the complex signature of outcomes left behind by an intervention" (Pawson and Tilley, 2004:11).<sup>23</sup>



<sup>1</sup>The Online Centres Network is made up of more than 5,000 community organisations across the UK, each of whom aim to help vulnerable and socially excluded citizens to use digital technology in ways that improve their lives. Many Online Centres operate on a hyper-local basis. The Network represents a diverse range of organisations including libraries, small charities, social housing associations, businesses, and others.

<sup>2</sup>Good Things Foundation (2018) How We Change the World: Good Things Foundation's Social Impact Theory of Change. [Online]. Available at: <https://www.goodthingsfoundation.org/sites/default/files/research-publications/theory-of-change-playbook.pdf>. [Accessed 9 April 2018]

<sup>3</sup>Pfadenhauer, L. M. et al. (2017) Making sense of complexity in context and implementation: the Context and Implementation of Complex Interventions (CICI) Framework. *Implementation Science*, 12 (21). DOI: 10.1186/s13012-017-0552-5

<sup>4</sup>Pawson, R. (2006) *Evidence-Based Policy: A Realist Perspective*. London: SAGE Publications Ltd.

<sup>5</sup>In addition to other more constant factors such as parental and relationship status, age and disability

<sup>6</sup>These included Capital Gains Tax, Inheritance Tax, VAT, and Corporation Tax.

<sup>7</sup>All project users have been given pseudonyms to preserve anonymity.

<sup>8</sup>Office for National Statistics (2017) Contracts that do not guarantee a minimum number of hours: September 2017. [Online]. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/>

<sup>9</sup>House of Commons Work and Pensions Committee (2017) *Self-employment and the gig economy*. Committee Report HC 847. London: Work and Pensions Committee.

<sup>10</sup>HMRC (2018) *Tax Credits Technical Manual. Changes in circumstances: Changes in circumstances that must be notified (mandatory)*. [Online]. Available at: <https://www.gov.uk/hmrc-internal-manuals/tax-credits-technical-manual/tctm05100>. [Accessed 26 March 2018]

<sup>11</sup>HMRC (2018) *Tax credits: if you think a decision is wrong (WTC/AP)*. [Online]. Available at: <https://www.gov.uk/government/publications/child-tax-credit-and-working-tax-credit-appeal-form>. [Accessed 10 April 2018]

<sup>12</sup>Although PAYE and National Insurance queries were also addressed through the project, these were generally more straightforward and are not discussed in this report.

<sup>13</sup>Wilson, R. et al. (2018) *Good and bad help: How purpose and confidence transform lives*. [Online]. Available at: [https://www.nesta.org.uk/sites/default/files/good\\_and\\_bad\\_help\\_0.pdf](https://www.nesta.org.uk/sites/default/files/good_and_bad_help_0.pdf). [Accessed 4 April 2018]

<sup>14</sup>GOV.UK (n.d.) *Universal Credit*. [Online]. Available at: <https://www.gov.uk/universal-credit>. [Accessed 10 April 2018]

<sup>15</sup>Department for Work and Pensions (2016) *Guidance: Universal Credit for the self-employed*. [Online]. Available at: <https://www.gov.uk/government/publications/universal-credit-and-self-employment-quick-guide/universal-credit-and-self-employment-quick-guide>. [Accessed 4 April 2018]

<sup>16</sup>Tu, T. Bollen, A. and Pannell, S. (2017) *Self-employment Working Tax Credits: Claimant Survey and Qualitative Follow-up Research*. [Online]. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/644093/research-in-](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/644093/research-in-)



<sup>17</sup> Sainsbury, R. and Corden, A. (2013) Self-employment, tax credits and the move the Universal Credit. Department for Work and Pensions Research Report Number 829. [Online]. Available at: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>. [Accessed 6 April 2018]

<sup>18</sup> Good Things Foundation (2017) Digital Nation 2017: UK Facts, Stats and Closing the Gaps. [Online]. Available at: [https://www.goodthingsfoundation.org/sites/default/files/research-publications/digital\\_nation\\_2017.pdf](https://www.goodthingsfoundation.org/sites/default/files/research-publications/digital_nation_2017.pdf). [Accessed 10 April 2018]

<sup>19</sup> Helsper, E. J. (2011) The Emergence of a Digital Underclass: Digital Policies in the UK and Evidence for Inclusion. LSE Media Policy Project, Brief 3. London: London School of Economics.

<sup>20</sup> Government Digital Service (2016) Assisted digital support: an introduction. [Online]. Available at: <https://www.gov.uk/service-manual/helping-people-to-use-your-service/assisted-digital-support-introduction>. [Accessed 6 April 2018]

<sup>21</sup> Yuen, W. et al. (2018) Trends in self-employment in the UK: Analysing the characteristics, income and wealth of the self-employed. [Online]. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/trendsinselfemploymentintheuk/2018-02-07/pdf>. [Accessed 6 April 2018]

<sup>22</sup> Sainsbury, R. and Corden, A. (2013) Self-employment, tax credits and the move the Universal Credit. Department for Work and Pensions Research Report Number 829. [Online]. Available at: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>. [Accessed 6 April 2018]

<sup>23</sup> Pawson, R. and Tilley, N. (2004) Realist Evaluation. London: British Cabinet Office.







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