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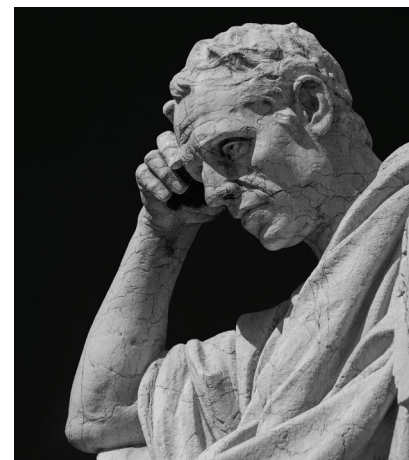
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Opening our doors

Dr Amy Lawton and David Massey demonstrate how the establishment of the North West Tax Clinic can help to bridge the gap between tax academia and the profession



KEY POINTS

- **What is the issue?**

The North West Tax Clinic (NWTTC) was opened in January 2020 with a view to helping low-income individuals with their income tax affairs. The project enables undergraduate and postgraduate students to provide free tax advice under the supervision of professional tax advisers.

- **What does it mean for me?**

The NWTTC challenges the preconceptions that tax is just for the rich and powerful. Tax clinics offer a way of encouraging more young people to see tax as a potential career.

- **What can I take away?**

Tax clinics can bridge the gap between local communities and the tax system in an approachable and accessible way. Students are also exposed to important learning on the job experience, allowing them to put their theoretical knowledge into practice.

The North West Tax Clinic (NWTTC) opened its doors in January 2020 with a view to helping low-income individuals with their income tax affairs. As a collaboration between TaxAid, Lancaster University and the University of Central Lancashire, the project enables undergraduate and postgraduate students to provide free tax advice under the supervision of professional tax advisers. It is the first such project in the UK.

The Clinic ran as a ten-week pilot until March 2020 and will roll out on a more permanent basis in October. During the pilot, students successfully navigated the choppy waters of technical tax advice and

PROFILE



Name: Dr Amy Lawton

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Profile: Amy is the co-founder of the North West Tax Clinic, the first student-led tax clinic in the UK. Amy's research interests lie in environmental taxation and tax education. In particular, she is interested in how taxpayers understand and respond to taxation; as well as how to bring innovative forms of tax education to Higher Education.



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Profile: David joined the Inland Revenue as a Tax Officer (Higher Grade) in 1986. He worked as an investigator examining the accounts of small and medium-sized businesses and as a technical inspector dealing with the personal tax affairs of the members of the 'Big 4' accountancy firms and the 'Magic Circle' of City solicitors. He is now an independent tax adviser and part-time lecturer and researcher.

covered common problems including submitting tax returns and appealing HMRC late filing penalties.

Overall, 12 students engaged with 25 clients. The students saved clients over £15,000 in cancelling incorrect charges and securing repayments. They also provided longer term benefits for clients (and HMRC) by correcting PAYE codes and explaining how they could fulfil their continuing obligations. This article will explore how clinical tax projects could help build a bridge between Higher Education and the tax profession.

The teaching of tax

As it stands, the teaching of tax in Higher Education is both sporadic and heavily constrained, depending on the discipline it

is taught in. In Law, for example, the teaching of tax does not form the Foundations of Legal Knowledge required by the Solicitors Regulatory Authority or Bar Standards Board under the current legal education system (similar rules apply in Scotland and Northern Ireland). Following the introduction of the Solicitors Qualifying Exam in 2021, tax will feature in the curriculum (see bit.ly/2F4b9Ou), but it is yet to be determined whether traditional universities will attempt to teach it. As such, in Law departments across the UK, the teaching of domestic tax at undergraduate level is not universally offered and is optional even where it is available.

In Business Schools, the teaching of tax is heavily influenced by the syllabuses of

the professional accounting bodies. Not surprisingly these concentrate on the issues which accountants are paid to deal with. Many accounting degree courses seek exemptions for their graduates from professional exams. The learning experiences and assessment of our undergraduates therefore concentrate on the tax problems of companies and of individuals who are willing and able to pay for tax services: the elements of the tax system which are not fee-generating tend to get crowded out. For example, the tax paper for which exemption is most commonly sought excludes the £1,000 trading allowance but includes inheritance tax and groups of companies. It requires a student to be able to calculate an accrued income charge (relevant only to those with a significant holding of gilts or corporate bonds) but make a point of omitting any learning about tax deducted at source from savings income (such as on a PPI repayment claim).

Challenging preconceptions

In both Law and Accounting departments, therefore, tax syllabuses focus on the tax issues of the wealthy, generally ignoring the tax issues faced by low-income individuals. The NWTC opens the doors to challenging the preconceptions that tax is just for the rich and powerful. It opens up the prospect of introducing tax into Higher Education syllabuses in a way which is more relevant and accessible to students from all backgrounds.

At a time when both the university sector and the tax profession are seeking to widen the diversity of our participants, tax clinics offer a way of encouraging more young people to see tax as a potential career.

Student-led clinical projects to help low-income individuals are not completely novel in the UK. The NWTC is, however, the first *tax* clinical project in the UK. What this means is that our students are the front-facing element of the NWTC: they liaise with the clients, identify their tax issues and draft advice under the supervision of qualified tax professionals. At a minimum, they are recruited from students going into the final year of their Law or Finance undergraduate degrees. These are individuals that therefore stand at the cusp of their professional careers, one step behind a new graduate tax trainee.

This step behind does not mean that undergraduate students cannot act in a professional tax context, as illustrated in our client satisfaction survey: 'Thanks, my tax issue was sorted so quickly... The staff and students were [experts] in their knowledge, professional, polite, supportive and helpful.'

Bridging the gap

Our students demonstrated that they possessed the maturity and competence to draft tax advice to the clients. That being said, the benefits of being detached from the tax profession mean that our students, while well-developed, are not yet indoctrinated into the technical tax language that comes with experience in the tax field. We found that our student volunteers were able to communicate with our clients in a clear, accessible way – they translated the jargon of tax into plain English. This is especially important when dealing with individuals who have a limited exposure to the tax world, as another response to our client satisfaction survey demonstrates: 'Absolute relief at not having to ring HMRC myself and getting the guidance and support to stop the tax fines which have been scaring me to death. Looking forward to receiving info on how to complete tax returns in future!'

The NWTC allows us to bridge the gap between our local communities and the tax system in an approachable and accessible way. We found that many clients had genuine difficulties accessing HMRC's services either by telephone or online. They had struggled to find help in understanding, and then resolving, the tax authority's demands of them.

Practical learning

Beyond the benefits that the students bring to clients, the NWTC also brings the subject of tax alive. It brings the constrained, limited academic syllabuses into the real world. Students are exposed to important learning on the job experience, allowing them to put their theoretical knowledge into practice. Michal Chodorowski, a TaxAid student volunteer, found his time in the NWTC rewarding:

'I found the North West Tax Clinic to be a genuinely refreshing and fulfilling experience. It had allowed me to give back to the community whilst acquiring valuable tax law experience. Under the umbrella of TaxAid, I have been able to help people with problematic tax affairs when they had no one else to turn to for help.'

By providing a safe space for students to come to grips with practical tax issues, the NWTC offers an opportunity to encourage students to enter the profession. Indeed, following the pilot, three of the student volunteers have already accepted graduate tax positions.

A lesson in altruism

Academic research has shown that clinical projects help to foster altruistic tendencies

in individuals. As Deborah Rhode of Stanford Law School has observed:

'By the time an individual launches a legal career, it is too late to alter certain personal traits and experiences that influence public service motivations. Such factors include a willingness to empathise, a sense of civic or group responsibility, and earlier positive exposure to volunteers and volunteer work.'

Whilst she talks specifically to the legal profession, we believe it applies equally to the wider tax profession. Our aim is for the NWTC to foster the emergence of good citizens into the profession in future generations. Volunteering in the tax profession is already well established through the likes of TaxAid and Tax Help for Older People; and the NWTC (and tax clinical projects like it) will continue to nurture empathetic individuals who will continue to contribute and develop the pro bono culture in tax.

In addition to feeding empathetic, tax-aware graduates into the profession, the NWTC could also create a two-way relationship between higher education and the tax profession. From October 2020, volunteers from local practices will be supervising students in the NWTC. For more junior tax professionals, the clinic provides a safe environment to work on leadership and management skills. These professional volunteers will be trained as Team Leaders by TaxAid and will foster positive mentoring relationships, further encouraging students (and practitioners) to develop a passion for tax. Professionals will also be exposed to new technical tax experience: tax in the low-income context – something that they may well be unfamiliar with when working for a larger tax or accounting firm. Exposure to this more vulnerable environment will also help to normalise the idea within the tax profession that tax is not just for the wealthy and healthy. In this way, it is hoped that clinical projects can give back to the tax profession.

The NWTC team would like to offer thanks to the team of tax professional volunteers who will be joining the project from October 2020. Thanks to the support of the CIOT in advertising the project to its members in the North West, students will receive fresh insights into the tax world.

*If you would like to read more on pro bono and clinical projects, see: Linden Thomas and Nick Johnson, *The Clinical Legal Education Handbook* (University of London Press 2020) (see bit.ly/2QRopZB, free download).*