



Response to HMRC consultation: Improving the data HMRC collects from its customers

12 October 2022

Introduction

1. Enginuity is a registered charity which acts as the sector connector for the advanced manufacturing and engineering industry. We marry engineering skills with ingenuity with data to design and constantly improve tools and solutions that enable individuals, employers, education providers and governments to plan and meet their skills and workforce needs.
2. We are not an individual, business, or representative body.

Question 4

3. SIC codes need to be as granular as possible to be usefully incorporated into software and digital tools, and to enable the creation of effective crosswalks between sub-sets of information. Without sufficiently granular data, there is a danger of increasing the problem of "Not Elsewhere Classified" (N.E.C.) results.
4. In our digital tools, we have built up occupations, which would fall under N.E.C. in the SOC codes, to create a more granular system for engineering and manufacturing occupations.

Question 5

5. This data would be incredibly useful to us, especially knowing what industries and locations specific SOC code occupations work in; for example, demonstrating the number of mechanical engineers working in each industry. It would be very helpful if the information reported the most granular available SOC codes by the most granular SIC codes.
6. Having real versus projected data would enable sectorial business and investment decisions to be better informed. It would enable businesses and other stakeholders to understand the actual existing skill set of the UK workforce and support complex gap analyses against future state, enabling the development of more effective action plans.
7. A comprehensive Department for Education data set is currently available for people in education. If equally comprehensive data were also available for people in employment, we could create links between employment and education, and identify the location of skills gaps in engineering and manufacturing across the UK.
8. The data, however, needs to be accessible in a format that is useful to business and other stakeholders.

Question 6

9. We currently categorise our employees by occupation, but not by reference to the SOC codes. We would be able to replace this with (or create an additional) occupational classification, using the SOC codes. For most of our employees' occupations, we consider that the SOC codes are sufficiently granular to provide a meaningful insight into the type of work they perform.
10. We agree with the proposal that employers should only be required to update this information when employees join or leave organisations, or change occupation.

Question 8

11. While we consider that they will be outweighed by the value of the information obtained, there are likely to be challenges in extracting job titles from existing payroll systems into RTI.
12. There is not an ONS classification for job titles, which can be very fluid and vary between organisations. Therefore, it is reasonable that "occupation" must mean "occupation that is a SOC code". The SOC codes would be the obvious definition to use as they are a government defined classification system which can integrate with other ONS reporting. However, requiring companies to apply a SOC code to each of their job roles, could potentially generate a lot of N.E.C. and "other" data as many job roles are not easily mapped to a SOC code.
13. It is possible that some payroll systems will not contain HR information like job titles, especially if the HR system is a separate and demarcated system. A payroll system pays an employee ID using the BACS information that is held within it and requires salary and timesheet information from the respective HR and timesheet systems. However, there is no need for a payroll system to hold job titles or job descriptions.
14. Additionally, finance and HR system providers often sell their solution as modules – their customers are not obligated to buy all their solutions from a single provider. Companies using SaaS services for payroll will be obligated under GDPR to keep their HR data somewhere separate, safe and secure, and would not typically share that information with their payroll supplier, who could potentially be outside the EU.

Question 9

15. It is important to address where real economic activity is occurring and people are working. However, it is equally important to collect information on where individuals live.
16. It would be helpful to understand where skilled individuals reside, such as on the periphery of a city or a specific part of a county. The increase in virtual forms of working means that, for many, the location of the business they work in does not reflect where they actually work. In addition, achieving net zero goals will create pressure to reduce long distance commuting, and it cannot be assumed people will move houses to take a job, so understanding where individuals are physically located becomes more important.
17. Understanding both the business location and where the business's employees reside could enable insights into what travel to work areas look like, especially if the data could be linked to other locational information, such as census data.