



***Research report***

# **HMRC Stakeholder Research**

Research carried out by Ipsos MORI among  
HMRC stakeholders in 2012.

**Corporate Communications – External Affairs**

**July 2013**

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## HMRC Stakeholder Research

### *About External Affairs*

The External Affairs team offers guidance and support across HMRC to help ensure communications activity is co-ordinated and aligned with our business objectives.

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## HMRC Stakeholder Research

### *Research requirement*

Ipsos MORI was commissioned by HMRC to undertake research among its stakeholders to answer two over-arching research questions:

1. **Understand perceptions of HMRC's reputation among its wider stakeholder group.**
2. **Obtain meaningful insight into how HMRC currently manages stakeholder relationships:**
  - How is HMRC performing? What are relationships with HMRC like?
  - What is driving attitudes?

### *Methodology*

This research was carried out by Ipsos MORI with all interviewing taking place between 24 February and 30 March 2012 with the results finalised in November 2012.

These results are based on 107 short, quantitative interviews conducted over the phone and 23 longer, qualitative interviews (with 28 participants) by phone and face-to-face. The sample was provided by HMRC consisting of external parties with an interest in the work of the department – including agents, businesses and the voluntary and community sector, politicians (including Members of Parliament, as well as members of devolved assemblies) and journalists (both national and regional).

This report summarises the main themes arising from both the qualitative and quantitative research. The breakdown of interviews is as follows:

Quantitative interviews:

- 35 politicians
- 72 external stakeholders

Qualitative interviews:

- 12 journalists
- 5 politicians
- 6 external stakeholders

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### *Main Findings*

#### *Overall views*

It is clear that those stakeholders identified as important by HMRC did indeed feel engaged with the organisation. There were very high levels of interest in HMRC and self-assessed knowledge of what happens at HMRC. Almost all stakeholders said HMRC is important to them and their organisation, although as is common in such research, they were less likely to feel they had great influence over HMRC (although they did not always expect to).

Overall, stakeholders are more favourable than unfavourable towards HMRC. Furthermore, it was clear from the in-depth interviews that several stakeholders recognised that HMRC has a difficult role to execute and on the whole it was felt they did a fairly good job in challenging circumstances (although some were still critical). There were mixed feelings about HMRC's performance as the country's tax authority, with HMRC being seen by stakeholders to be more effective at collecting taxes than paying benefits (although many were unable to express an opinion on this point).

However, although the majority of stakeholders felt favourable towards HMRC, this is not translating into outright advocacy (i.e, stakeholders being prepared to speak well of HMRC to others).

#### *Staff and leadership*

Generally, staff at HMRC who have contact with stakeholders were well regarded. In particular, they rated well in terms of having good technical expertise and giving good quality advice. The qualitative interviews also suggested that on the whole individual staff were well thought of, being described as "good people" and "knowledgeable". However, stakeholders also encountered inconsistencies depending on which part of the department they were dealing with, or in the case of staff turnover.

At the time this survey was conducted it appeared to be too early for most stakeholders to form an opinion on the new leadership team, though there were some promising signs, with improvements in the senior team being noticed by some.

#### *Information and contact*

Most stakeholders felt well informed about the actions HMRC is taking to meet its challenges, and felt they received about the right amount of information from the organisation (although politicians tended to feel less well-informed). They generally rated the information they received as good in terms of relevance, provision of the necessary facts and helpfulness, while saying that greater simplicity/less jargon and better timeliness would be the most useful improvements to the information that HMRC provides.

Overall, most stakeholders were satisfied with their most recent contact with HMRC, but politicians often reported difficulties when dealing with HMRC on behalf of constituents. Politicians were not always clear about where or who to go to resolve an issue. The lack of clarity and path to resolution was a cause of significant frustration to them and also contributed to them having negative feelings towards HMRC.

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Opinion was split among stakeholders on HMRC's consultations. While most felt that HMRC understood their needs, similar proportions felt consulted and not consulted on issues that affect them. While many consultations were felt to be relevant, useful and well run there was a sense that some were a matter of "box-ticking". These are then seen as a waste of time and potentially serve to damage relationships as feedback may not be listened to or acted on – especially if many consultations arrive at the same time so stakeholders do not feel they have the resources to respond to them all.

### *Future challenges*

The main challenge facing HMRC, according to its stakeholders, is improving its public perception and trust. In particular, this seemed driven by a negative perception that HMRC does not treat all customers and taxpayers in the same way (particularly comparing its treatment of 'ordinary' individuals or small businesses with its attitude towards large firms – though it should be noted that fieldwork for this study was in Spring 2012, after several media stories on this issue). Whether this was simply a perception or reality, stakeholders felt it important to note the significant impact this has had on HMRC's reputation.

The issue of budget cuts and resources was the second most commonly cited issue, with stakeholders raising concerns over what impact they may have on the level of service HMRC provides in future and the resources it will have at its disposal. Related to this were concerns about the introduction of major reforms such as Universal Credit, Real-Time Information, and other welfare reforms, if implementation is not successful.

Other challenges included improving customer service, cutting out mistakes and inefficiencies, and collecting all due tax/maximising revenue (including from the corporate sector).