



HM Revenue  
& Customs

*Research report*

# HMRC Stakeholder Engagement Research 2015

Research conducted by ComRes among HMRC stakeholders in 2015

**Corporate Communications – Stakeholder Relations**

**25 August 2016**

Behavioural & Customer Insight Team

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**HMRC Stakeholder Engagement Research 2015*****About Stakeholder Relations***

The Stakeholder Relations team offers guidance and support on how the department engages with external stakeholders.

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## HMRC Stakeholder Engagement Research 2015

### *Research requirement (background to the project)*

ComRes was commissioned by HM Revenue and Customs (HMRC) to undertake a research project among HMRC's stakeholders to:

1. Track stakeholder perceptions and understanding of HMRC;
2. Monitor key performance metrics in a changing landscape;
3. Evaluate the success of existing stakeholder engagement strategies;
4. Determine what key stakeholders want to see from HMRC in the future.

### *Methodology and approach*

ComRes conducted two phases of research on behalf of HMRC, consisting of an initial quantitative phase of research, followed by a qualitative phase.

#### 1. Quantitative research:

ComRes interviewed 340 HMRC stakeholders online between 10 September and 30 October 2015. The sample, provided by HMRC and supplemented by ComRes using its Parliamentary Panels, was as follows:

<b>Stakeholder group</b>	<b>Sample size</b>
Members of Parliament (MPs)	81 (38 Conservative, 31 Labour, 7 SNP, 4 Other)
Devolved Legislators	20 (12 MSPs, 6 AMs and 2 MLAs)
Corporate (including stakeholders from Business, Customs and Legal sectors)	120
Tax Agents	60
Voluntary and Community Sector (VCS)	37
* Journalists	22
<b>Total sample size</b>	<b>340</b>

\*Please note: In 2015, this was the first time Journalists were included in the quantitative sample.

**HMRC Stakeholder Engagement Research 2015****2. Qualitative research:**

ComRes conducted 42 qualitative depth interviews, lasting between 30 and 45 minutes by telephone and face-to-face. The sample, provided by HMRC and supplemented by ComRes, was as follows:

<b>Stakeholder group</b>	<b>Sample size</b>
Members of Parliament (MPs)	8
Devolved Legislators	2
Corporate (including stakeholders from Business, Customs and Legal sectors)	10
Tax Agents	7
Voluntary and Community Sector (VCS)	6
Journalists	3
Customs	3
Legal	2
Academic	1
<b>Total sample size</b>	<b>42</b>

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## *Main Findings*

### *Overall impressions*

HMRC continues to perform well among stakeholders against key performance indicators. Familiarity, favourability and advocacy scores remain consistent with 2014, while stakeholder perceptions of HMRC's overall performance as the UK's tax authority continue to improve.

Familiarity with HMRC's work is high among its stakeholders – although this is often based on a limited understanding of HMRC's role, and stakeholders are more likely to say that they are familiar with HMRC's work than with its vision and priorities. This reflects the primarily operational nature of much of HMRC's stakeholder engagement with HMRC – engagement is usually on a particular issue, query or specialist area of work as opposed to broader strategic engagement with the organisation.

Favourability towards HMRC remains consistent with 2014, and is highest among Corporate stakeholders. Stakeholders are more likely to say that they would speak positively as opposed to critically about HMRC in public, and all stakeholder groups are slightly more likely to say that they would be critical towards the organisation in private than they would in public. Those who engage strategically with HMRC and have a greater understanding of its vision and priorities are more likely to say that they would advocate on the organisation's behalf.

Overall, stakeholders are most likely to view their relationship with HMRC as that of a "critical friend" – almost all stakeholders explain that they are supportive of HMRC's ultimate aims and objectives and would advocate for and defend HMRC on particular issues where they saw fit. They see the value of their relationship with HMRC as providing strategic and constructive engagement where necessary to support HMRC in improving performance.

### *Performance*

HMRC is seen to perform well as the UK's tax authority, with stakeholder perceptions of its overall performance continuing to improve over time. Corporate stakeholders are the most likely group to say that HMRC performs well as the UK's tax authority, with Parliamentarians and stakeholders from the Voluntary and Community Sectors least likely to say this.

Stakeholders are sympathetic to the climate in which HMRC is operating and a "good performance given limited resources" is the primary reason cited by stakeholders who say that HMRC performs well as the UK's tax authority.

However, while HMRC is seen to perform well on this overall measure, for all stakeholder groups revenue collection is just one requirement. For stakeholders, successful revenue

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collection without the provision of adequate customer service, support and advice does not equate to “success”, and many stakeholders see these elements as equally important to HMRC’s remit as revenue collection.

Poor customer service – including telephone response times – is the primary reason given by stakeholders who say that HMRC performs poorly as the UK’s tax authority. Overall, the quality of HMRC’s customer service is stakeholders’ primary concern and the issue most likely to arise unprompted in the qualitative interviews.

HMRC stakeholders broadly do not distinguish between the customer service experienced by individual stakeholders and their own engagement as a stakeholder with HMRC, and this has a significant impact on stakeholder perceptions of HMRC. A majority of HMRC stakeholders act as representative of individual taxpayers and businesses in their professional role, particularly Parliamentarians, Agents and those from the Voluntary and Community Sectors. As a result, poor public customer service has a direct impact on the workload of these stakeholders and plays a crucial role in stakeholder perceptions of HMRC.

### *HMRC’s objectives*

There is a considerable gap between the perceived importance of, and performance on, HMRC’s key objectives. Improving customer services remains the most important HMRC objective for stakeholders, but it is identified as the objective on which it is performing least well.

HMRC is seen to perform best on maximising revenues – the second most important objective for stakeholders. However, concerns over tax avoidance and evasion, and what many stakeholders perceive as a disproportionate focus on small and medium sized businesses at the expense of big corporates, negatively affect perceived performance in this area. A minority of stakeholders’ voice concerns over the wording of this objective – these stakeholders feel that HMRC’s role is to collect the tax which is due – as opposed to maximising revenue – and feel that this underlines what they see as an overly aggressive approach from the organisation.

Making sustainable cost savings is seen to be the least important of the three objectives by stakeholders. Many feel that HMRC cannot afford to make any further cuts without negatively affecting its ability to improve customer service and maximise revenue, and that as such, these objectives are inherently contradictory.

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## *Drivers to engagement*

Stakeholder perceptions of HMRC staff and communications are broadly positive, and this drives much goodwill towards the organisation. Stakeholders speak highly of the courtesy and friendliness of HMRC staff and are generally satisfied with the way in which HMRC staff communicate with them. However, what many see as a lack of internal coordination within HMRC means that responsiveness remains a concern. Many stakeholders note the complexity of HMRC and see the organisation as internally fragmented – wherein separate teams and directorates work in silos. This perception of fragmentation is driven by communications issues experienced by stakeholders, who report being passed between teams and directorates on an issue-by-issue basis and finding it difficult to navigate the organisation and find the right person to speak to.

A majority of stakeholders feel well informed about HMRC and say that they receive the right amount of information from the organisation. They are most likely to receive information about HMRC from the organisation directly – however, the media continues to play a considerable role. Stakeholders see media coverage of HMRC as being primarily negative, but are split over whether this is a fair or unfair representation of HMRC and the work that it does.

Journalists speak highly of the HMRC press office, describing it as “efficient”, “responsive” and “proactive”. They would value the provision of greater visual material from HMRC – including pictures and videos of counterfeit good and raids, as well as greater opportunities for interviews with HMRC staff. While many journalists note that such visual material is currently available from HMRC, increasing its availability is seen as a key way to increase reader engagement with HMRC stories.