



HM Revenue
& Customs

Research report

HMRC Report: 494

HMRC Stakeholder Engagement Research 2016

Research conducted by ComRes among HMRC stakeholders in 2016

Corporate Communications – External Communications

March 2017

Behavioural & Customer Insight Team

HMRC Stakeholder Engagement Research 2016

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About External Communications

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

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HMRC Stakeholder Engagement Research 2016***Research requirement (background to the project)***

ComRes was commissioned by HM Revenue and Customs (HMRC) to undertake a research project among its 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 311 HMRC stakeholders online between 29 September and 22 November 2016. The sample, provided by HMRC, was as follows:

| Stakeholder group | Sample size |
|---|---|
| Members of Parliament (MPs) | 70 (35 Conservative, 26 Labour, 7 SNP, 4 Other) |
| Devolved Legislators | 19 |
| Corporate (including stakeholders from Business, Customs and Legal sectors) | 111 |
| Tax Agents | 51 |
| Voluntary and Community Sector (VCS) | 37 |
| Journalists | 22 |
| Total sample size | 311 |

HMRC Stakeholder Engagement Research 2016**2. Qualitative research:**

ComRes conducted 53 qualitative depth interviews, lasting between 30 and 45 minutes, by telephone and face-to-face. The sample, provided by HMRC, was as follows:

| Stakeholder group | Sample size |
|---|--------------------|
| Members of Parliament (MPs) | 7 |
| Devolved Legislators | 6 |
| Corporate (including stakeholders from Business, Customs and Legal sectors) | 14 |
| Tax Agents | 9 |
| Voluntary and Community Sector (VCS) | 8 |
| Journalists | 3 |
| Customs | 3 |
| Legal | 2 |
| Academic | 1 |
| Total sample size | 53 |

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Main Findings

Overall impressions

HM Revenue and Customs (HMRC) continues to perform well among stakeholders against key performance indicators. Stakeholders are as likely as in 2015 to report high levels of familiarity and favourability, while they are slightly more likely to say they would advocate on behalf of the organisation in private or in public. Perceptions of HMRC's overall performance as the UK's tax authority have remained consistent.

As in 2015, stakeholders continue to be familiar with HMRC's work. However, within the qualitative interviews many describe themselves as familiar only with the part of the organisation or the people they deal with, which is reflected in the fact that stakeholders continue to be more likely to say that they are familiar with HMRC's work than with its vision and priorities. As in 2015, the qualitative interviews highlight that most stakeholders tend to deal with the organisation on a particular issue, query or specialist area as opposed to broader strategic engagement with HMRC. This is particularly true for Agents and Parliamentarians, who mainly work on behalf of clients or constituents, and therefore come into contact with HMRC primarily in that way.

Overall, stakeholders remain favourable towards HMRC, with favourability highest among Corporate stakeholders. Levels of both public and private advocacy have increased since 2015 and stakeholders are now equally likely to say that they would speak well of the organisation in private as they would in public. Corporate stakeholders, Voluntary and Community Sector (VCS) stakeholders and Agents are the groups most likely to say they would advocate on HMRC's behalf, both in private and in public.

Performance

After increasing considerably between 2014 and 2015, perceptions of HMRC's performance as the UK's tax authority have remained consistent in 2016. As in 2015, Corporate stakeholders are the most likely group to say that HMRC performs well as the UK's tax authority, while MPs and VCS stakeholders are least likely.

Stakeholders continue to be sympathetic to the climate in which HMRC is operating – and a “good performance given limited resources” is again the most cited reason by those who say that HMRC performs well as the UK's tax authority.

While stakeholders do see HMRC's primary role as collecting tax, they also see the organisation as making sure that the correct amount of tax is collected, as well as ensuring that the process of tax collection and benefit payments is as simple and efficient as possible.

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Poor customer service continues to be the primary reason given by stakeholders who say that HMRC performs poorly as the UK's tax authority. This is cited by a greater proportion than any other reason. As in 2015, HMRC's customer service arises in the qualitative interviews as a key concern by stakeholders from all groups. However, there is a sense among some stakeholders that customer service is improving, with many in the quantitative survey citing changes to digital services as the reason behind this improvement.

One of the main reasons for poor perceptions of HMRC's customer service is that a significant proportion of stakeholders act as representatives of individual taxpayers and businesses in their professional role, particularly Parliamentarians, Agents and VCS stakeholders. This means that they hear complaints about HMRC's customer service, which in turn has a negative impact on how they perceive the service, and by extension HMRC as a whole.

HMRC's objectives

A majority of stakeholders believe it is important for HMRC to achieve each of its new objectives. A smaller proportion think that HMRC is performing well on achieving them. Stakeholders are slightly more confident that HMRC can achieve its objectives than that it is performing well on each of them. Maximising revenues due is the objective stakeholders are most likely to think HMRC is performing well on, while they are least likely to think HMRC is performing well at transforming tax for customers.

As in 2015, several stakeholders said in the qualitative interviews that HMRC has an inconsistent approach to tax avoidance and evasion. There is a feeling among some (and particularly those who do not have close contact with HMRC) that the department treats small businesses and individuals more harshly than it does large corporate bodies, which is likely to affect the organisation's perceived performance in this area. This stems from the fact that many stakeholders receive much of their news about HMRC through the media, which highlights tax avoidance and evasion by large businesses.

The most important objective, according to HMRC's stakeholders, is delivering a professional, efficient and engaged organisation, followed by bearing down on avoidance and evasion. Several stakeholders in the qualitative interviews did not feel that, in the current funding climate, HMRC would be able to achieve all of these objectives to a high standard.

Stakeholders' role and engagement with HMRC

The term "critical friend" continues to be a meaningful description of stakeholders' roles, with the majority, and particularly Agents, likely to describe themselves as such. This role is viewed as one in which stakeholders are broadly supportive of HMRC and its aims, and would support and advocate on the organisation's behalf, with the proviso that this support is

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not unconditional and that the stakeholders will provide constructive feedback or criticism when appropriate.

HMRC is seen to perform well on listening to and understanding stakeholders' views, but less well on responding. While stakeholders broadly feel that they are given sufficient opportunities to engage with HMRC, many report that they do not know how feedback has been used – if at all – and why.

Overall, HMRC's staff are viewed very positively, a key driver behind goodwill towards the organisation as a whole. However, stakeholders distinguish between the staff they deal with (who tend to be senior) and customer service staff, who are viewed more negatively. Staff with whom stakeholders deal with directly are singled out for being particularly professional, polite and helpful.