



HM Revenue  
& Customs

*Research report*

# HMRC Stakeholder Engagement Research 2014

Research carried out by ICM Research Ltd among  
HMRC stakeholders in 2014

**Corporate Communications – External Affairs**

11 December 2014

## *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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## *Research objectives*

ICM Research Ltd (ICM) was commissioned by HMRC to undertake research among its stakeholders to:

1. **Explore how stakeholders view HMRC** compared to previous years, in order to track the impact of its efforts to improve its reputation
2. **Evaluate attitudes towards HMRC's communication and engagement with stakeholders** to inform future stakeholder communications
3. **Identify what HMRC can do to improve** and what its role should look like in the future.

## *Methodology*

Fieldwork was carried out by ICM between 16 June and 4 August 2014.

Results are based on 116 quantitative interviews of 15 minutes, conducted via Computer Assisted Telephone Interviewing and 29 qualitative in-depth interviews of 30-45 minutes, conducted by phone and face-to-face.

The sample, provided by HMRC, consisted of its key senior stakeholders, split into parliamentarians, corporate stakeholders (including tax agents, businesses and voluntary and community sector organisations) and journalists.

The breakdown of interviews is as follows:

Quantitative survey:

- 20 parliamentarians
- 96 corporate stakeholders

In-depth interviews:

- 12 journalists
- 4 parliamentarians
- 13 corporate stakeholders

## *Main Findings*

### *Overall perceptions*

As in previous years, HMRC's key senior stakeholders are very engaged with the organisation. Stakeholders have a high level of familiarity and interest in HMRC, and stakeholders feel that the department has a significant impact on their work.

Familiarity with HMRC has risen gradually over the past two years and it is clear that stakeholders have a good understanding of the department. In the qualitative research, stakeholders generally define HMRC by its core function of collecting taxes. However, within this they identify a number of other key responsibilities, including tackling tax evasion and avoidance, ensuring compliance, administering tax credits and advising on policy. Perceptions of the department are generally positive: most stakeholders are favourable towards HMRC, and advocacy remains strong.

Favourability has increased since last year and is driven, in particular, by close working relationships between stakeholders and HMRC. Those who feel that HMRC listens, understands and responds to their views are significantly more likely to be favourable. Corporate stakeholders, who have more regular contact with HMRC, are generally more positively disposed towards the department.

### *HMRC's performance*

Stakeholders compliment HMRC for its competence as a tax authority, rating its performance in collecting revenues highly, and comparing it favourably with overseas counterparts.

However, parliamentarians are less likely to say that HMRC performs well as a tax authority compared to corporate stakeholders. Parliamentarians' main concerns are based on perceived poor customer service – particularly in answering constituents' queries – and a perception that HMRC is not doing enough to target tax avoiders.

While stakeholders are generally positive about HMRC's ability to fulfil its core function – the collection of tax revenue – some question if HMRC should do more to help the honest majority get their tax right, and whether HMRC treats all taxpayers even-handedly.

Despite this, there is a clear sense that HMRC is moving in the right direction. In the qualitative research, stakeholders regularly praise HMRC's senior leadership team and feel that it is increasingly willing to listen to, and engage with, stakeholders, but cite customer service, the digitisation of services and a lack of dynamism as key weaknesses.

### *Key objectives*

In general, stakeholders have a good understanding of HMRC's vision and priorities.

Of the department's three key objectives, stakeholders feel that maximising revenues is the objective where the department is showing the best performance. Also, stakeholders feel that HMRC is generally considered to be performing well against its objective of reducing costs.

On HMRC's third key objective, improving customer service, stakeholders agreed that closing down the face-to-face contact centres earlier this year was the right thing to do, and they made some valuable comments around how the transition to the new service could have been improved.

### *Working relationships and contact*

Satisfaction with working relationships between HMRC and stakeholders is high, although corporate stakeholders are much more satisfied than parliamentarians. Strong working relationships are characterised by a two-way, honest discussion and a high level of responsiveness.

While stakeholders think HMRC is improving the way it works with them – and those from the corporate sector are particularly satisfied – a significant minority question whether HMRC actively demonstrates that it has listened to their views, for example, by providing more detailed responses to formal consultations.

Some commented on the impact of staff turnover on HMRC's corporate memory, requiring stakeholders to have to regularly re-build relationships with the department.

Despite this, the level of contact HMRC has with its stakeholders is deemed to be sufficient and the majority of stakeholders are satisfied with the service they receive from HMRC. Indeed, satisfaction with the outcome of dealings with HMRC is rising amongst corporate stakeholders, although parliamentarians still report concerns here.

### *Communications*

Most stakeholders feel well informed about HMRC, and report that they receive the right amount of information on the work of the department.

The majority of stakeholders get their information on HMRC directly from the department, although parliamentarians get more information from other sources, particularly newspapers and via constituent queries.

While the vast majority of stakeholders prefer to receive information from HMRC by email, parliamentarians also prefer to receive communications from HMRC via written briefings. Corporate stakeholders, by contrast, show more interest in face-to-face contact, which is valued as an opportunity for in-depth discussion with HMRC officials.

## HMRC Stakeholder Engagement Research 2014

HMRC's communications are considered to be useful and well presented. The HMRC website and HMRC issue briefings are praised as examples of good communications. Stakeholders also suggest that HMRC communications could be improved by tailoring them more to specific stakeholder groups, and making them available via a range of channels.

### *Staff and leadership*

HMRC staff are very well-regarded for their softer skills, with virtually all stakeholders saying they are satisfied with their courtesy and friendliness. Staff are generally regarded as being competent and professional.

However, a significant minority of stakeholders are dissatisfied with the way staff take responsibility for finding answers and solutions, and the number of different staff members or departments they have to speak to in order to deal with any issues or queries. While the majority of stakeholders rate the technical expertise of staff they deal with as good, parliamentarians are less convinced, perhaps reflecting the nature of contact they have with the department.

Overall, stakeholders rate the quality of HMRC's senior leadership and management as good. However, the qualitative research shows that those who know HMRC the best and have most contact with the department are much more positive and feel the senior leadership is taking the department in the right direction.

### *Journalists*

The way in which HMRC's press office manages proactive communications continues to be more highly regarded by journalists.

Generally speaking, journalists are positive about HMRC press releases and the press office is widely regarded to be good at identifying stories and providing the information that journalists need.

However, there remains an impression that, on occasion, the press office needs to be quicker to respond to requests for comments and further information from journalists.

Close personal relationships between press officers and journalists are key to building coverage. Those who have a single point of contact, particularly regional journalists, are much more positive about their experiences.