



HM Revenue
& Customs

Research report

HMRC Report: 495

HMRC Stakeholder Engagement Research 2017

Research conducted by Populus among HMRC
stakeholders in 2017-2018

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1. Introduction

1.1 Background

HM Revenue & Customs (HMRC) has commissioned stakeholder research each year since 2012. The research provides insights into the views of influential stakeholder groups, identifies trends and changes in attitudes, and informs improvement to the way HMRC engages with this key audience.

1.2 Research Aims

Populus was commissioned by HMRC to undertake research among its stakeholders to:

- Understand stakeholders' general perceptions of HMRC: favourability, advocacy, and change over time
- Gauge awareness of HMRC and stakeholders' knowledge about HMRC's remit, vision and priorities
- Explore HMRC's perceived performance and to what extent stakeholders feel HMRC is maximising revenue due, transforming tax and delivering a more professional, efficient and engaged organisation
- Assess HMRC's engagement with stakeholders.

1.3 Method

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

1.3.1 Sample

The sample of Parliamentarians and devolved administrations was drawn from a complete list of current Members of Parliament, Members of the Scottish Parliament, Members of the National Assembly for Wales and Members of the Legislative Assembly in Northern Ireland. The remaining sample of Corporate, Customs, Voluntary and Community Sector, Agents, and Media stakeholders was drawn from a longlist of influential stakeholders as identified by HMRC.

Quantitative research:

Populus interviewed 329 HMRC stakeholders using an online methodology.

Qualitative research:

Populus conducted 67 qualitative depth interviews, lasting between 20 and 50 minutes by telephone.

The sample breakdown was as follows:

Stakeholder group/Sample size	Quantitative	Qualitative
Parliamentarians and devolved administrations	88 (51 MPs, 14 MSPs, 13 AMs and 10 MLAs)	12
Corporate (including stakeholders from Business and Legal sectors, Whitehall stakeholders, and academic stakeholders)	95	30
Customs	76	3
Voluntary and Community Sector (VCS)	37	9
Agents	38	14
Media	15	10
Total sample size	329	67

Please note:

- This was the first time Customs stakeholders were separated into a distinct stakeholder group. Previously Customs stakeholders were included in Corporate stakeholders.
- A small number of stakeholders appear in multiple sub-categories, but no stakeholder counts twice in the figures presented in this report.

The qualitative research intended to explore and understand the range of perceptions and attitudes towards HMRC; it is not intended to give any indication of the prevalence of these beliefs across the population as a whole.

1.3.2 Fieldwork

Quantitative fieldwork ran from 15 November 2017 until 5 January 2018.

Qualitative interviews took place between 24 November 2017 and 10 January 2018.

2. Findings

2.1 Overall impressions

HMRC's stakeholders thought that the Department performed well against key performance indicators. Familiarity and perceptions of HMRC's performance as the UK's tax authority remained consistent with previous years, while overall favourability towards HMRC remained high following increases in recent years. On advocacy, stakeholders were less likely to either speak well or criticise HMRC this year compared with previous years, preferring to remain neutral.

Stakeholders' familiarity with HMRC's work remained high. Stakeholders had a strong and detailed knowledge of HMRC, which was often built upon years of experience of tax matters and long-standing relationships with the Department. For the majority stakeholders, HMRC was perceived to be highly relevant to them, and their professional work was heavily influenced by it. Perceptions of HMRC remained focused on its role as the UK's tax collector, and associations with the National Minimum Wage and tax credits were secondary.

Favourability towards HMRC has steadily improved over time. All groups of stakeholders were, on balance, favourable towards HMRC – more stakeholders in each group had a favourable impression than an unfavourable one. Having a good working relationship with HMRC, believing the organisation is professional, efficient and engaged, and having trust in the Department were the factors that had the biggest impact on favourability.

On advocacy, stakeholders were more likely to be neutral this year and continued to view their relationship with HMRC as that of a "critical friend". They considered HMRC's success as imperative to the UK, so wanted the Department to perform well and were keen to acknowledge the areas where HMRC excelled. Nevertheless, they also understood the importance of holding HMRC to account, being critical when required.

2.2 HMRC's performance

Stakeholders continued to think that HMRC was performing well as the UK's tax authority. As in previous years, HMRC was described as a rigorous and competent tax collection authority, but one that was operating in a challenging environment, in particular regarding the resources available.

Perceptions of customer service, by phone and online, remained weaker. While stakeholders had little personal experience with 'frontline' advisors, they commonly mentioned anecdotal stories of poor customer service experienced by constituents, members and/or clients. Nevertheless, some stakeholders interviewed qualitatively, particularly VCS stakeholders, noted improvements in recent years, believing that HMRC was beginning to hit its targets and that wait times were decreasing.

EU exit, in particular, was considered a major challenge for HMRC, with stakeholders expecting that the Department would play an important role in this process. Stakeholders suggested that HMRC was likely to be affected by changes to Customs, and must, therefore, resource accordingly. At the same time, some stakeholders were concerned that EU exit could cause a decline in the quality of HMRC's customer service if it were to lead to resources and personnel being diverted.

Detailed knowledge of HMRC's senior management and leadership team was limited. Those with knowledge of the senior management and leadership team were positive, highlighting the diligent, straight-talking approach adopted by the team and a strong commitment to addressing HMRC's issues.

2.3 HMRC's objectives

Of the Department's key objectives, HMRC continued to be perceived to perform best at maximising revenues due and bearing down on avoidance/evasion, with the closing tax gap highlighted as evidence of this. However, concerns remained that HMRC's focus was on tax avoidance/evasion from small businesses rather than large, multinational organisations.

There was little change in stakeholders' perceptions of HMRC's performance in transforming tax and payments for customers. There was broad consensus on the importance of digitising tax, and acknowledgement of the efforts made by HMRC in Making Tax Digital. Despite some reservations at the beginning of the Making Tax Digital process, it was felt that positive progress had been made and there was a desire to see this continue.

2.4 Engagement

HMRC's stakeholders reported generally positive working relationships with HMRC staff, and this drove favourability towards the Department. Stakeholders described the staff they dealt with as highly knowledgeable, with considerable experience, and dedicated to doing the right thing. Given the large impact of HMRC's work on stakeholders, frequent and constructive feedback sessions and a willingness to listen to stakeholders' views were appreciated.

However, while HMRC was, broadly, thought to listen to feedback and respond to it, stakeholders said HMRC did not always provide adequate follow-ups or act on feedback. This was blamed on a perceived lack of flexibility in HMRC's processes, meaning nuances or specific considerations were ignored.

Similarly, there continued to be a belief that HMRC could operate in a bureaucratic and slow manner. Inadequate communication between different teams within HMRC, unnecessarily complicated procedures and long delays were causes of frustration. Nevertheless, the majority of stakeholders were otherwise positive about the staff they dealt with on a day-to-day basis, identifying them as one of HMRC's greatest strengths.