



HM Revenue
& Customs

Corporate *Responsibility*
Report 2008-09

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A large print version of this report is available from www.hmrc.gov.uk/about/corporate-responsibility Other formats are available on request by emailing cr.unit@hmrc.gsi.gov.uk

Foreword

Welcome to HM Revenue & Customs' (HMRC) second Corporate Responsibility Report



Over the past few years HMRC has set out its aspiration to behave responsibly towards all of its stakeholders and to respect the environment. This year, the global recession has provided one of the toughest challenges to our Corporate Responsibility (CR) ethos. At a time when resources have been harder to come by for us and for our customers, the demand for our services has been that much greater. In effect, we have had to achieve more with less.

This report shows that HMRC has continued to embed the principles of CR in everything it does to deliver the best possible service. What I am particularly pleased to see from the variety of case studies is the way in which acting responsibly is becoming second nature. As a public sector body it can be all too easy for us to say that we 'do CR' because the revenues we collect pay for schools, hospitals and other essential services. But for me it is the examples of how we are assisting people on the ground, such as our helpline for businesses affected by the recession, that demonstrate our real social commitment. I am very proud that this commitment has been recognised by our progress to

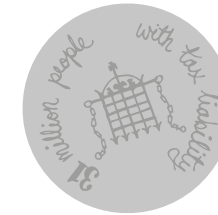
the highest category of platinum in Business in the Community's Corporate Responsibility Index.

Achieving this level of progress has required imaginative leadership. It has also produced great ideas from our employees for delivering a more responsive service to our customers, helping our local communities and enhancing our actions on climate change. But it hasn't stopped there – those with the ideas have been encouraged to try them out and spread good practice across HMRC.

For any organisation wanting to change things for the better there is always more to be done. We have set ourselves a very challenging CR programme for 2009-10 with a strong focus on our social, economic and environmental impact.

A handwritten signature in black ink, appearing to read 'Lesley Strathie', written over a horizontal line.

Lesley Strathie
Chief Executive and Permanent Secretary



About HM Revenue & Customs

Our Purpose

We make sure that the money is available to fund the UK's public services

We also help families and individuals with targeted financial support

Our Vision

We will close the tax gap, our customers will feel that the tax system is simple for them and even-handed, and we will be seen as a highly professional and efficient organisation

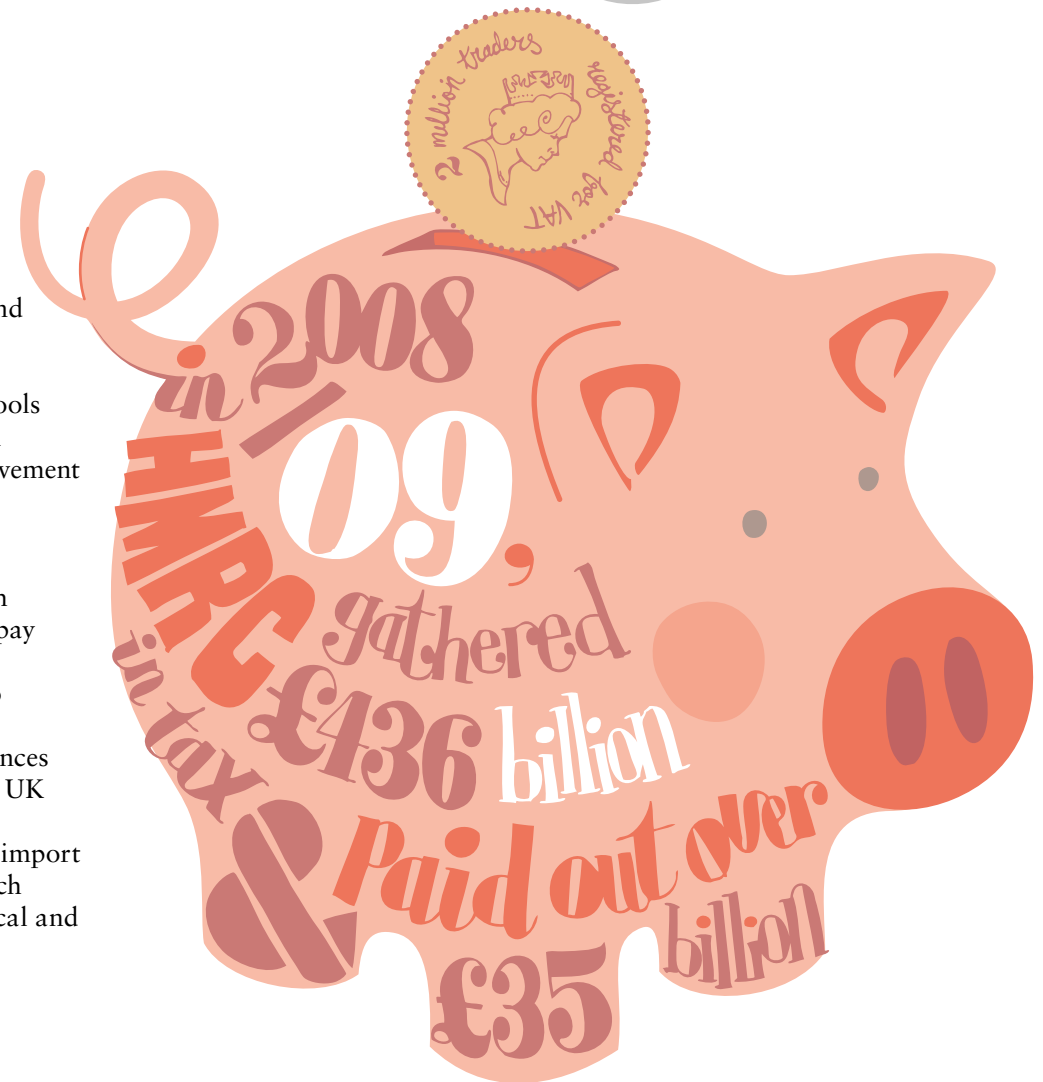
Our Way

- We understand our customers and their needs
- We make it easy for our customers to get things right
- We believe that most of our customers are honest and we treat everyone with respect
- We are passionate in helping those who need it and relentless in pursuing those who bend or break the rules
- We recognise that we have privileged access to information and we will protect it
- We behave professionally and with integrity

- We do our own jobs well and take pride in helping our colleagues to succeed
- We develop the skills and tools we need to do our jobs well
- We drive continuous improvement in everything we do

Our Objectives are to:

- improve the extent to which individuals and businesses pay the tax due and receive the credits and payments to which they are entitled;
- improve customers' experiences of HMRC and improve the UK business environment; and
- reduce the risk of the illicit import and export of material which might harm the UK's physical and social well-being.





We collect:

- Capital Gains Tax
- Corporation Tax
- Customs Duties
- Excise Duties on alcohol, tobacco, fuels and gambling
- Income Tax
- Inheritance Tax
- Insurance Premium Tax
- National Insurance Contributions
- Petroleum Revenue Tax
- Stamp Duty
- Value Added Tax

We pay:

- Child Benefit
- Child Trust Fund endowments
- Tax Credits – Child Tax Credit and Working Tax Credit
- Health in Pregnancy Grant

We also have a role in:

- Border and frontier protection
- Managing environmental taxes – Climate Change Levy, Aggregates Levy, Landfill Tax and Air Passenger Duty
- Enforcing the National Minimum Wage
- Collecting repayments of student loans
- Ensuring compliance with the Money Laundering Regulations

How much money and how many customers:

- In 2008-09 we collected £436bn in tax and duties, down £21bn on last year.
- We paid out £35bn in tax credits and benefits, up nearly £5bn on last year.
- There are about 31 million people in the UK with tax liability.
- There are nearly 2 million active traders registered for VAT.
- Over 6.1 million families, containing over 10.1 million children, received Child or Working Tax Credits.
- We handled about 60 million telephone enquiries through our contact centres.

Who carries out the work:

At 31 March 2009 we employed just under 89,000 people of whom about a quarter work part-time. This is the equivalent of about 82,000 full-time workers and represents a reduction of 2.3% on the figure at 31 March 2008.

Where they do it

At 31 March 2009 our staff worked in 473 offices in 314 locations across the United Kingdom.

And what resources they use to do it:

We used 458,605 mWh of power in 2008-09 (mostly electricity, some gas and a little oil). We used 866,830 m³ of water (HMRC and VOA combined figures).

What we have to achieve and our funding

The government sets out what we must do for the well-being of the UK and tells us how much we can spend to achieve it

Delivering government objectives

HMRC makes a major contribution to four of the government's 30 priority outcomes, known as Public Service Agreements (PSAs):

- PSA 6 – Deliver the conditions for business success in the UK
- PSA 9 – Halve the number of children in poverty by 2010-11, on the way to eradicating child poverty by 2020
- PSA 25 – Reduce the harm caused by alcohol and drugs
- PSA 26 – Reduce the risk to the UK and its interests overseas from international terrorism

How we make this contribution is set out in our three Departmental Strategic Objectives (DSOs):

- DSO 1 – Improve the extent to which individuals and businesses pay the tax due and receive the credits and payments to which they are entitled (PSA 9)
- DSO 2 – Improve customers' experiences of HMRC and improve the UK business environment (PSA 6)
- DSO 3 – Reduce the risk of the illicit import and export of material that might harm the UK's physical and social well-being (PSAs 25 and 26)

Managing our finances...

The funding we agreed with HM Treasury for 2008-09 was five per cent less than our 2007-08 allocation. As we're expected to maintain similar levels of service and outputs, we had in effect to 'achieve more with less'. We reduced and rationalised our estate; substantially increased the proportion of transactions and correspondence carried out electronically; and introduced revised processes and new procedures, which needed fewer employees to operate them. The HMRC Annual Report for 2008-09 provides further details on how we managed our business and our expenditure.

The funding we agreed with HM Treasury for 2008-09 was five per cent less than our 2007-08 allocation.



We're expected to maintain similar levels of service and outputs.

HMRC's board has made a strong statement in its Vision about how we will conduct our business – the principles and behaviours we follow as we carry out our day-to-day operations and provide services for our customers. Working and acting in accordance with this Vision is how we become a responsible organisation.

Our corporate responsibility challenges

The focus for making us think differently about what we do and how we do it

Judy Greevy, Head of Corporate Responsibility and Diversity, concluded last year's report with a set of challenges that would start in 2008-09 and take us through to 2009-10. The challenges provide a focus for making us think differently about what we do and how we do it (see chart).

	Our aim is to:	Our challenge is to:
For our customers	be more accessible to our diverse range of customers	<ul style="list-style-type: none"> • increase the take up of benefits and credits and e-services • make it easier for our vulnerable customers to deal with us • promote an understanding of responsible tax
For our people	make HMRC a better place to work	<ul style="list-style-type: none"> • increase our people's confidence in their leaders and managers • build a package of measures to support the well-being of our people
For the environment	minimise the environmental impact of our activities	<ul style="list-style-type: none"> • reduce the volume of paper sent to our customers • be recognised as one of the top 10 government departments for reducing carbon emissions
For our communities	introduce a new community programme to help tackle social exclusion	<ul style="list-style-type: none"> • deliver a 50% increase in our volunteering activity • create effective community partnerships across the UK

Governance of corporate responsibility in HMRC

Good governance ensures responsible behaviour

HMRC is the only government department to have a non-executive Chairman heading its Board and a Chief Executive running its day-to-day business.

Accountability for strategy and action...

The HMRC Board, chaired by Mike Clasper, is supported by the Ethics and Responsibilities Committee, which has a specific remit for challenging our approach to our customers, our communities and the natural environment. A separate People Committee addresses issues relating to our employees.

The Executive Committee (ExCom), led by our Chief Executive, Lesley Strathie, has particular responsibility for driving our continuous improvement and change programmes. It is through these programmes that we are delivering high standards of service and responsible business behaviour for all our stakeholders.

Consulting customers and stakeholders...

The HMRC Individuals Customer Directorate and Business Customer Unit are just two of our work areas that carry out research into the needs and concerns of our customers and stakeholders. The people and groups they consult include: individuals, businesses, tax professionals, trade bodies, non-governmental organisations (NGOs), community and voluntary groups, and other government departments. Information fed back to the Board, ExCom and operational business units from these consultations picks up on the social and environmental impacts of our actions.

Managing change to improve services...

HMRC is structured around a number of operational business units that deliver services to our customers. Each business unit responds to the outcome of consultation with customers and stakeholders through changes to plans and policies, and by developing better ways to deliver our services. ExCom is active in approving changes and co-ordinating action to maximise our impact.

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Working with our customers

Paying tax or claiming benefits and credits - getting it right should be easy

Our number one business objective is to improve the extent to which individuals and businesses pay the tax that is due and receive the credits and benefits to which they are entitled.

This means we have to make it easy for our customers to get things right by keeping the tax system simple for them, ensuring it is even-handed and making their experience of dealing with us a lot less stressful.

Who are our customers and what do they want?

We have about 31 million individual customers and around 2 million business customers. Each customer is different, which means that their transactions with us will be unique.

Our analysis of customers' complaints helps us to work on the things that don't always go so well and our customer surveys give us some broad baseline information. To provide us with more detailed explanations of why, for example, people can be put off dealing with us in the first place, we've carried

out an in-depth consultation with as many different customer groups as we can. We've held regular meetings with representative groups of particular types of customer, we've sat down with trade bodies to find out their hot issues, and we've gone out to talk to potential customers in the places where they go about their daily business. We've also set out our future plans for people to comment on and listened to what ministers and MPs have to tell us about how we do our work.

Have we changed how we serve our customers?

The way we conduct our business is increasingly driven by how our customers want to engage with us. Provided certain core requirements are met, customers can choose to communicate with us face-to-face, online, by letter, by telephone or, where appropriate, through a third party.

We have tried to be more flexible and quicker to react to sudden changes in circumstances. The economic recession very quickly turned many

people's world upside down. We responded by setting up a telephone helpline and by rearranging payment deadlines to help people overcome short-term difficulties and prepare for better times ahead.

Working in partnership with other service providers

As we work with our customers we see how changes in their circumstances mean they have to contact other public bodies as well as us. Changes to personal income can affect eligibility for tax credits and housing benefit. Starting a business may require registration for tax and 'permits to operate'. Finding a job and starting work may mean an end to job seekers allowance and instead becoming liable for tax and eligible for tax credits.

We have entered into partnerships with other public bodies, such as local authorities and Jobcentre Plus (JCP), to ensure it is as easy and convenient as possible for people and businesses to find things out, notify changes in their circumstances and register for new entitlements. Some of these partnership



arrangements make it possible for customers to deal with everything in one place – a One-Stop Shop. Others mean that information can be passed from one body to another without the need for separate forms.

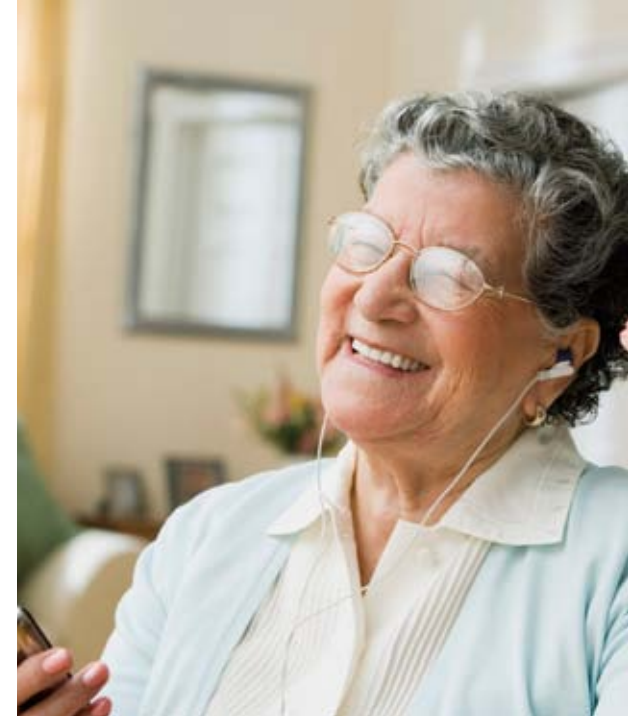
Making our information and processes accessible

To help our customers get things right, we are putting information about our services in more of the places where they go to find things out. As well as traditional posters and leaflets, we have enhanced our presence on the internet. We also make podcasts and digital broadcasts, use social websites like YouTube, and go out to talk people where they work and meet.

We are looking at all our processes from the point of view of the customer

In response to their feedback, questions on our forms are now asked in the order that customers say is most easy to follow. Online formats have been designed specifically for online use instead of being a paper form transferred to the screen. We also accept some types of information and changes to transactions by telephone instead of requiring more form filling.

Once our customers switch to online filing for their tax returns, they rarely move back. The savings in printed forms and postage is substantial.



Self Assessment filing success story

69% of all Self Assessment returns are now filed online. This is a significant increase on previous years and well above the forecast 58%. Once customers have made the switch to online, they rarely move back to paper, so this saving in printed forms is sustainable and likely to increase over the coming years as more customers use their computers to complete their tax returns. Online returns save on postage and storage, and repayments are processed much faster. They are also quicker and easier to complete as data already held is automatically inserted into some of the standard boxes.

In the 18 months to April 2009 we worked directly with taxpayer-representative organisations to run a series of 225 'roadshow' events across the UK. The roadshows allowed us to talk directly to 11,700 tax agents. In response to their feedback we made radical improvements to the user-friendliness and usability of our online service.

Taking the bite out of the credit crunch

Many businesses are finding things difficult in the current economic climate and meeting their tax obligations can sometimes add to their worries.

For businesses in temporary financial difficulties, we launched the Business Payment Support Service (BPSS) helpline. Available seven days a week it can rearrange payment of a tax bill to a timetable the business can afford, without imposing additional penalties or surcharges. In the three months following its November 2008 launch, the service received more than 92,000 calls and agreed time-to-pay arrangements worth in excess of £1billion. The response from businesses using the helpline has been overwhelmingly positive, with strong praise for the professionalism of the staff handling the calls.

Making things easier for pensioners

We know from our research that people can struggle initially to make the adjustment from working life to retirement. This transition is not helped when official forms, such as our Pension Enquiry Form (P161), are difficult to understand and complete.

We send the P161 to customers whose state or private pension is about to start so we can work out what tax-free allowances they are entitled to and how much tax (if any) they will need to pay. One in five P161 replies were showing errors. If the form is not filled in correctly then the customer's employer or pension payer might insert the wrong tax code meaning too much tax may be deducted.

We introduced a Helpsheet with the form to provide guidance on its completion and to clarify the areas that generated the most problems and errors. Pensioners now find the form much easier to understand. To assist pensioners with their general enquiries, we have also produced a Tax and Pensions Factsheet.

*We're reducing the phone calls
and paperwork for people moving
in and out of work.*

One call does it all

The 'In and Out of Work' project is managed jointly by HMRC, Jobcentre Plus and local authorities. It makes it easier for people to move in and out of work by reducing the number of calls that need to be made and the amount of paperwork that has to be completed. For example, if someone who is between jobs calls Jobcentre Plus (JCP) to report a change of circumstances, then JCP will share their information

with HMRC and, if appropriate, their Local Authority. People on the borderline for benefits might think it is not worth taking a job if they have to wait a long time for their money to be sorted out. 'In and Out of Work' can make the jump into work a bit easier by helping to minimise any delays. The roll-out began in six local authorities in October 2008 and is gradually being extended to all 408 local authorities in England, Scotland and Wales.



Customers

Success stories



Every very large business has a dedicated HMRC Customer Relations Manager to provide a single point of contact.

Welsh-speaking customers receive tax help and advice from our award-winning Welsh Contact Centre.

MIND and TaxAid have helped us to improve the service we offer to customers with mental health conditions.

Business start-ups can access information on a range of tax issues from our free bite-sized video guides available online and via Virgin Media TV.

Our Contact Centres handled over 58 million calls covering 19 different HMRC products and processes.

Parents found out about financial help for their children, including the new Health in Pregnancy Grant, by visiting our 'Payments for Parents Roadshow' on its 25-stop tour of the country.

Small and medium enterprises filled over 25,000 seminar places at our Business Advice Open Days on 'how to reduce the burden of government regulation'.

We have delivered 225 free workshops to 11,700 accountants and tax advisors wishing to file their clients' tax returns online.



Taxpayers and advisors can access two free half-hour online modules to help them understand new compliance checks and penalties.

Nearly 13,000 employers and payroll bureaux, representing around 13 million employees, received free payroll advice and help at 14 Employer Talk events covering Great Britain and Northern Ireland.

Parents, guardians and mums and dads to-be can find out about the Child Trust Fund (CTF) in a new five minute podcast available from HMRC's website or from iTunes.

We worked with Jobcentre Plus to deliver a Rapid Response Service to employers announcing 20 or more redundancies.

Accountants and Tax advisors have their own dedicated, priority telephone service to provide the specialist advice they need.

Following the introduction of a Helpsheet, Pensioners can now complete the P161 pension enquiry form much more easily and accurately.

Organisations representing deaf people collaborate with HMRC staff on the Hearing Impairment Group to improve services for our deaf/hearing impairment customers.

60 branches of our 'Working Together Partnership' with local accountants have been re-launched across the UK.

Making HMRC a place where people want to work

Providing good jobs...

The way we deliver our service is being transformed. We are encouraging customers to use automated self-service IT systems to conduct everyday business with us and to find the answer to a wide range of questions. This change is releasing more of our people from processing work to resolve non-standard questions and transactions that are best dealt with through personal contact.

These new jobs were designed with substantial input from the frontline operational staff who will be involved with the work. Our 'PaceSetter' way of working specifically encourages those who know the work to suggest how it can be done better and to test their ideas before wider changes are made. By using retraining packages to help staff whose jobs have disappeared, we have managed to avoid compulsory redundancies.

...that are accessible to a wide range of people...

We want our workforce to reflect the diversity of our customers and we want to develop and use the

collective experience of that diverse workforce to deliver high quality service. To do this:

- we offer a wide range of flexible working patterns and arrangements, such as term-time working, to help people manage their working day with their home commitments. Our pay and pensions package compares well with those on offer elsewhere and stands up to equality scrutiny on equal pay. Other benefits, such as our sports and leisure association, help to create a culture of participation and inclusion;
- we have eight well established and active diversity networks offering our people the opportunity to share experiences, comment on new initiatives and to ensure HMRC people are treated fairly and can give of their best. Our 50th place in the Stonewall Workplace Equality Index of gay friendly employers is an example of the good progress we have made in promoting diversity and inclusion. Each diverse group is supported and championed by a Board level director who fosters the needs and interest of their group;

- we provide a range of learning and development opportunities. Coaching and mentoring schemes for people from under-represented groups are proving particularly popular and effective, as are our Spring School and apprenticeship programmes for junior staff;
- we offer opportunities for people working in specialist functions to acquire professional qualifications and to participate in continuous professional development programmes. Our 22 designated professions include accountants, taxation specialists, economists, statisticians, lawyers, analysts, human resource managers and purchasing experts.

...who are motivated and involved...

We conducted two staff surveys this year with over 53,000 employees taking part in the second, much larger survey.

While a number of our people would recommend HMRC as a place to work and feel valued for what



they can offer, others are not so highly motivated and do not they feel they have the skills to do their job.

We accept that these survey results reflect a worrying level of dissatisfaction. All of the responses recording a 'below satisfactory' view are a cause for concern, which we are committed to resolve.

Throughout the year our senior directors have asked for feedback on specific issues of interest and concern. They answered over 1,650 written questions put to them via our Hotseat channel on the intranet. They discussed a wide range of leadership and strategic issues in monthly dial-in telephone conferences open to all staff and they took part in eight Town Hall meetings around the UK, attended by 1,300 employees.

In a similar vein to the Town Hall events, our PaceSetter way of working builds in time for teams to discuss and make suggestions for improving the way they do things, and to test their ideas in practical ways.

...by strong leaders and good managers

Everyone in HMRC contributes to transforming the way we deliver modern efficient customer services, but it is our leadership team that sets the strategic direction, allocates resources, and drives the change programme. And it is managers at all levels who implement the strategy and deliver real improvements in services.

'Leading the Way' is the name of our programme to develop the capability of our leadership team. Quarterly seminars, led by HMRC's most senior managers, provide an opportunity to discuss and understand the key issues facing the top team and the context for change.

'Developing Confident Managers' is our training programme for all managers. It helps them to make the right decisions and take the right actions. We have been upgrading our management policies and processes to give managers clearer guidance and greater certainty of outcome. For example, we have issued new guidance on resolving grievances raised by employees.

We're tapping into the imagination and entrepreneurial spirit of our employees.



A Great Place to Work

The 'Great Place Group' was set up two years' ago in our Business Customer Unit (BCU), as a direct response to staff requests to make it a 'great place to work.'

An umbrella group was formed, from representatives of BCU teams to focus on problem areas such as meetings, induction, intranet communications, social groups and work/life balance. Actions included:

- developing and publishing a protocol for meetings;
- supporting charitable events and coffee mornings;
- The Big Quiz! – a new initiative to bring together BCU teams across multiple sites via video conference links and to encourage team working;

- a new induction pack for staff and managers to welcome new starters in BCU;
- initiating a range of new communications including 'BCU Update', 'Your Agenda', visibility sessions with the director, and a streamlined intranet site that reduced the number of pages from over 800 to about 100;
- encouraging a work/life balance etiquette, displayed on posters in all areas of BCU, setting out the way we work and considering others' individual needs;
- undertaking a work prioritisation exercise to ensure all BCU people are aware of their priorities.

The group recently reviewed what it was doing by building on feedback from BCU people and the latest staff survey.

HMRC's 'Dragons' Den'

'Angels and Dragons' is a venture capital initiative similar to TV's Dragons' Den. The scheme encourages employees to come forward with innovative ideas. It helps them to develop their ideas and provides quick decisions on whether or not to fund them.

The scheme offers everyone a unique development opportunity and taps into the imagination, entrepreneurial spirit and passion of our people.

Proposals that have the potential to deliver a return of 110% over two years are approved by the Board of Angels, which is made up of senior directors drawn from across HMRC. One of the projects coming to fruition this year has been about improving the effectiveness of the electronic employer records system.

'Angels and Dragons' was praised in a National Audit Office (NAO) report entitled "Helping Government Learn".

We want professional people to deliver the right service to our customers.

The Professionals

We have 22 professions in HMRC. They include: compliance accountants; lawyers; social researchers; statisticians; economists; information and policy specialists; and professional communicators.

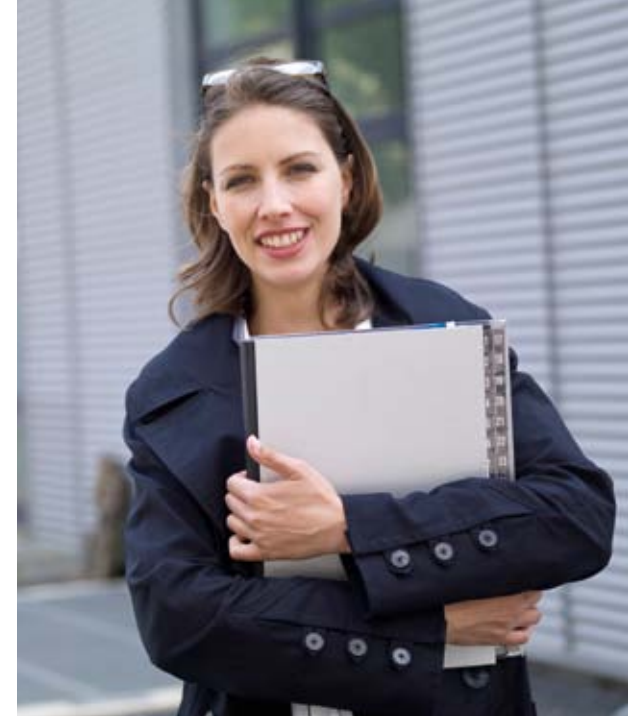
We are investing long-term in equipping all our professionals with the skills, knowledge and tools to be leaders in their fields. Each has a designated 'Head of Profession' who sets the standards for recruitment, career and performance management, learning and development and business planning.

As an example: 17,000 Tax Professionals carry out a wide range of roles from Administrative Officer level up to the very senior Permanent Secretary for Tax. In 2008-09 we welcomed 80 tax trainees to start on the newly launched Tax Professional Development Programme.

Tax Professionals are supported by a development team, which organises conferences, seminars, development and training opportunities.

Two online libraries offer a full range of tax material and updates as well as downloadable leaflets with guidance on Continuous Professional Development (CPD). This year we delivered a 25% increase in the number of Tax Professionals involved in CPD. As their careers progress, employees can use an online interactive career path to see what tax roles could be available to them.

A new framework of training modules and Tax Professional Qualifications is being put in place. We have appointed the Association of Accounting Technicians as the Awarding Body to accredit the Foundation level qualifications. Once this has happened, these qualifications will be recognised inside and outside HMRC.



Civil Service West Midlands apprenticeship scheme

Civil Service West Midlands (CSWM) is a pilot programme that brings together government departments to generate a better deal for all Civil Servants working or living in the West Midlands region. One of the many examples of the programme's work supported by HMRC is the apprenticeship scheme for junior staff.

Clare Buckler, jumped at the chance of a Customer Service Level 2 apprenticeship. Clare wanted to improve her CV but with two small children she knew she would find it difficult to attend evening classes.

Clare is enjoying her apprenticeship and said "It is giving me a better insight into my work as well as another qualification under my belt. HMRC's support has made this possible."

People

Success stories

“

HMRC directors answered over 1650 written questions put to them by staff on a comprehensive range of policy and operational issues.

Our employees benefits include pension schemes, free eye tests, help with childcare costs and loans for travel season tickets.

Over 1,000 new and returning managers are learning to manage with confidence and realise their potential through our ‘Developing Confident Managers’ programme.

Over 5,000 staff took part in monthly, live phone-ins with Chief Executive Lesley Strathie and a panel of senior managers.

We have reduced our workforce without the need for any compulsory redundancies.

”

We set up three new online electronic communication forums for staff with hearing impairments, with dyslexia and with dyspraxia.

Some of our people affected by office closures are helped to find suitable redeployment opportunities with Jobcentre Plus and the Welsh Assembly Government.

More than a quarter of our employees take advantage of part-time working arrangements.

300 meetings were held with 3,000 Enforcement and Compliance staff and managers to discuss bullying and harassment. Respect and behaviour issues were addressed and staff assured of effective routes of redress if they experience verbal or written abuse from customers.

Line managers and team leaders are empowered by ‘candid but inspirational articles and sound advice’ from our award-winning magazine “20/20”.*

* British Association of Communicators in Business (CiB) Award of Excellence.

Our people benefit from a variety of flexible working options including home working, job sharing, job splitting, term-time working and compressed working, for example 5 days over 4.

Staff engagement and morale in our Benefits and Credits offices has been improved through empowerment. Productivity is up 25%, and customer satisfaction by 7%.

People re-deployed in North London to completely new jobs praised the training they received.

We are taking action to improve Black, Asian and Minority Ethnic (BAME) representation, especially at senior levels, by introducing initiatives such as the ‘Cultivating Potential’ Programme.

Staff who use accessible technology, such as voice recognition software, are able to share their experiences and seek advice and information through electronic forums.

For the fourth year running, HMRC was named as one of the UK’s top 100 gay-friendly employers in Stonewall’s Workplace Equality Index.

Our gender re-assignment absence policy won third place at the a:gender 2008 Trans Equality Index Awards.

New career opportunities across 40 Civil Service organisations in the West Midlands have been opened up to HMRC people under a pilot scheme for all civil servants in the region.

An online stress management tool enables managers and teams to identify and then implement a plan to help reduce stress in the workplace.

Over 1,300 managers took part in eight interactive local ‘Town Hall’ meetings with senior leaders.

Around 100 people at our Newcastle Contributions Office graduated with ‘Skills for Life’ qualifications from City of Sunderland College.

Board level Diversity Champions have gained insights into the issues facing under-represented groups through being ‘reverse mentored’ by members of our staff diversity networks.

The environment – treading as lightly as we can

It is a government priority to reduce significantly the UK's carbon emissions. All government departments have been set challenging targets to cut their emissions and to take action in other areas that contribute to climate change.



HMRC manages four environmental taxes and a number of tax incentives aimed at changing the social and economic behaviour of individuals and businesses to reduce their carbon emissions.

We are also managing our own business to ensure we meet the government milestones to:

- reduce carbon emissions from the use of road vehicles to 15% below 2005-2006 levels by 2010-11; and
- reduce carbon emissions from buildings to 12.5% below 1999-2000 levels by 2010-11 and to 30% below 1999-2000 levels by 2020.

So what have we done?

We have reduced the carbon emissions from our road travel by 26.5% since 2005-06 by providing improved telephone and video conferencing facilities, exercising tighter budgetary control over discretionary travel, and giving guidance on the alternatives.

Improved arrangements for booking rail travel, including better information about pricing, has encouraged a switch from road to rail for essential journeys.

We have continued the programme of upgrading our vehicle fleet to low emission vehicles. Our vehicle hire contract restricts users to lower emission vehicles.

Our programme to consolidate and reduce the size of our estate has not presented as many opportunities as we would like to improve the energy efficiency of the buildings we now occupy. That said, we have improved energy efficiency by 5.3% since 2005-06 and reduced carbon emissions by 1.5%.

We continue to develop more sophisticated environmental management systems to provide accurate measurements of our energy consumption.

Energy consumed by IT equipment is being reduced as more machines are put into low power mode overnight.

We are also reducing our consumption of water, paper and other products that require significant amounts of energy in their production. For example, our customers are encouraged to take the paperless route when seeking information or in completing transactions with us.

Working in partnership with our suppliers, we have increased the proportion of our waste that is recycled to 41%. Plastic packaging used to secure sensitive data in transit is all sent for recycling.

We are changing the way we do things so we use fewer resources and create less waste.

Recycling success

The plastic wallets we use to transport internal mail securely between offices offers a great example of how we are building sustainability into our contracts with external suppliers. Security considerations have driven the move from paper

The environmental impact of this change has been mitigated by used envelopes being shredded, heat-treated and reduced to pellets, which can be turned into construction materials. Profits from the scheme are donated to charity.



Lillyhall Contact Centre

Our new Lillyhall Contact Centre in Cumbria, is located in an economically deprived area. All the materials used in the refurbishment of the building were recycled so the project could be managed as sustainably as possible. Sustainable business travel and commuting is promoted and supported through the negotiation of discounted season tickets for public transport and car sharing rotas.

Environmental taxes: protecting the UK's countryside, natural resources and environment

Landfill Tax: The Landfill Tax encourages use of, and investment in, sustainable alternative waste treatment options, such as sorting machinery, recycling and anaerobic digestion. Landfill Tax raised £0.9 billion in 2008-09.

Landfill site operators contribute to a Landfill Communities Fund, which over the past 13 years has benefited in excess of 25,000 projects that aim to improve communities around a landfill site. In the 12 years since the tax's introduction, the total quantity of waste sent to Landfill Tax registered sites fell by 45%. The Landfill Tax is expected to save up to 0.2 million tonnes of carbon dioxide by 2010-11.

Aggregates levy: The aggregates levy makes the price of aggregates better reflect the environmental impacts of quarrying operations such as noise, dust, visual intrusion, loss of amenity and damage to biodiversity. It raised £0.3 billion during 2008-09.

Between 2001 and 2007 the levy reduced sales of primary aggregates by 14 million tonnes and increased the estimated use of recycled and secondary aggregate by 11 million tonnes

Climate change levy: Climate change levy is a tax on certain energy commodities supplied to businesses and the public sector, which encourages them to use less energy and thereby reduce greenhouse gas emissions. It raised £0.7 billion in 2008-09.

Independent analysts estimate that by 2010 the levy will have reduced energy demand in the commercial and public sector by around 15% a year and delivered annual emissions savings of over 12.8 million tonnes of carbon dioxide.



Lawress Hall - going green

Caring for the environment is second nature at Lawress Hall, our residential training college in Lincolnshire. In the catering areas cooking oil which has reached the end of its life is collected and converted into biodiesel. Sandwiches are served in biodegradable cardboard boxes and recycled napkins are used in the restaurant. Guests are discouraged from leaving the TV on standby in their rooms or requesting clean towels every day. Staff servicing the rooms check that electrical equipment is switched off. They have also reduced their use of cleaning chemicals, having discovered the benefits of microfibre dusters and mops. Light comes from energy-saving bulbs. Showers have Enviroflo heads with air holes giving a powerful spray and adaptors are being installed in taps, saving up to 30% on water as well as energy. The toilet cisterns all have water saving bags; the space taken up by the bag means the cistern needs less water to fill before flushing.

environment

Success stories

“

We have reduced our waste by 21.6% since 2007-08 and 41% of our waste is now recycled.

‘Snakes on a Plane’: More than 40 illegally imported exotic reptiles were rescued by our Detection staff and taken to Blackpool Zoo until permanent homes could be found for them*.

Rather than sending letters to Self Assessment customers our Debt Management team sent 4,000 texts reducing costs and saving paper.

”

5,000 pallets of seized alcohol were used as agricultural feed, fertiliser or low grade fuel. 700 tonnes of seized tobacco was used as fuel to generate electricity. Packaging from seized goods is removed and sold for recycling*.

84 flush bags have been installed in toilets at four large Benefits and Credits offices to reduce water wastage.

We offset all the carbon from our air travel in 2008-09.

We recycled over 3,000 tonnes of our ‘restricted’ waste.

We have rationalised the number of Self Assessment manuals we produce saving £1.4 million and 300 tonnes of paper, and removing 12 trucks from the road.

During 2008-09 we reduced our fleet by over 300 vehicles and saved more than £550k in running costs.

More than 3000 surplus office trays have been recycled, free of charge, into soles for shoes.

We recycled 4,000 tonnes of waste paper.

Since last year we have reduced CO₂ emissions from road vehicles by 2,203 tonnes. This represents a reduction of 8.6 million road miles.

60 tonnes of paper and £40,000 have been saved as a result of this year's increase in online filing of tax returns.

An online tool allows Benefits and Credits staff to arrange car-sharing for business meetings.

* This work was transferred to the UK Border Agency in August 2009.

Working in partnership to support communities

We invest approximately £2 million a year in partnerships with voluntary sector organisations, which provide advice and support for disadvantaged communities.

This year we supported more than 6,000 days of staff time for work in the community on voluntary activities, civic duties such as school governors and magistrates, and on outreach programmes aimed at making contact with those people who need our help most, but are reluctant to deal with us. We also worked with UK and international agencies to develop and support effective civil governments overseas.

Voluntary sector partnerships

57 organisations shared nearly £2 million of grants to help them to deliver targeted projects that benefited specific groups of our customers. The projects included: giving advice about entitlement to Tax Credits; raising awareness of the minimum wage; helping individuals and small businesses understand what we need them to do to keep their tax affairs in order; advising migrant workers about their entitlements and obligations;

and helping to improve the tax and benefit skills of people working in the voluntary sector.

As well as making sure the grants were spent on the projects for which they were given, we worked with our partners to develop measures to see if the projects delivered the expected benefits for our customers. We will report on this test of the effectiveness of our grants in future years.

Volunteers working in the community

We adopted a more structured and targeted approach to giving paid time off to our people who do voluntary work in the community. This ensured that the community activity undertaken was of benefit to the voluntary or community organisation, to the individual volunteer, and to HMRC.

We matched the skills of volunteers with the needs of voluntary organisations, we sought more meaningful development of our volunteers, and we partnered with organisations working with communities in which HMRC has an interest. For example, volunteers drawn from our accountancy profession supported teaching of numeracy and

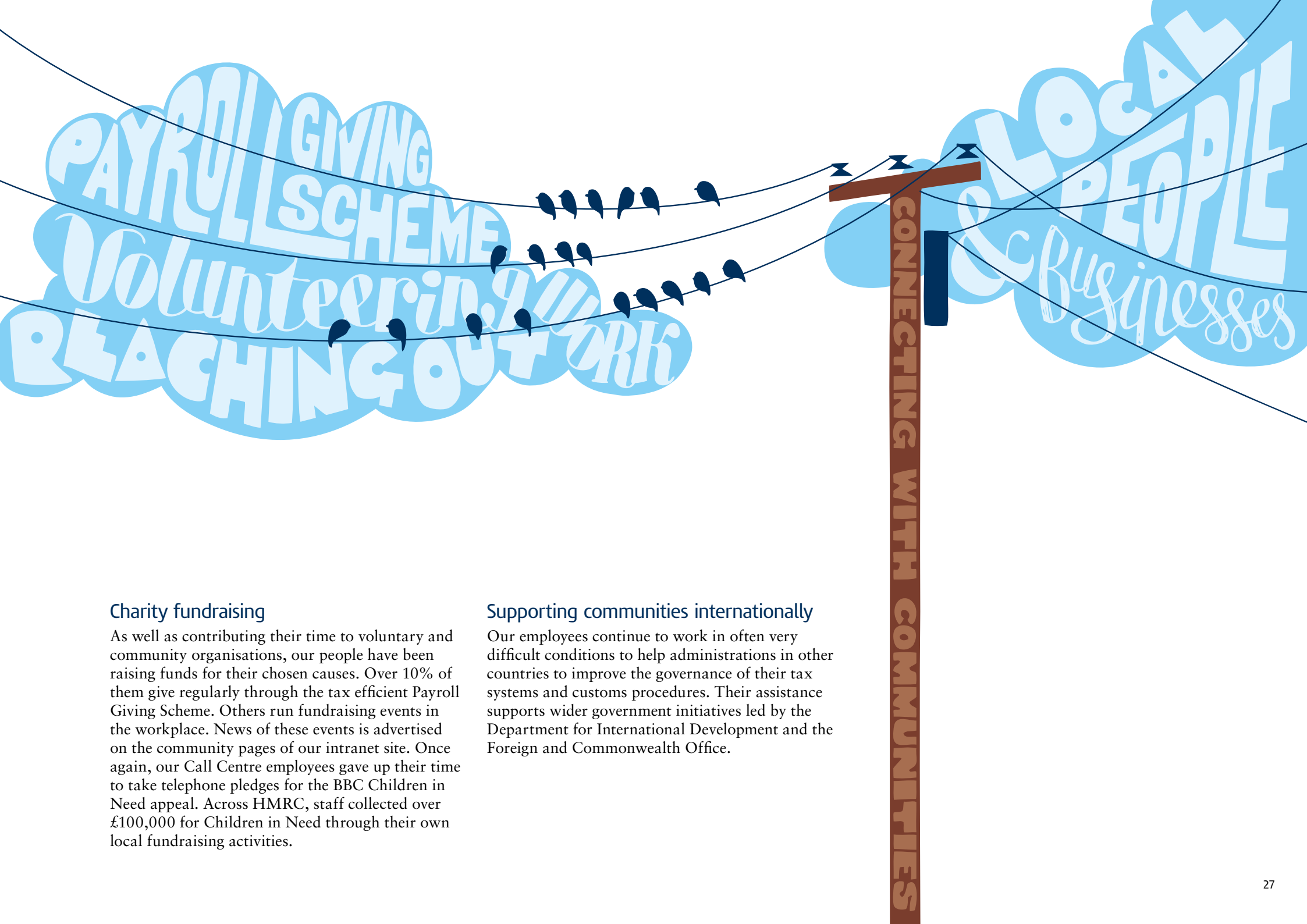
financial literacy, and staff in the North East supported the City of Sunderland's 'Skills for Life' programme.

We have continued our work with School Governors' One-Stop Shop, a small award winning charity, which recruits volunteers to become governors in schools across England. We have helped them to recruit over 60 school governors from HMRC.

Outreach

We extended our practice of going out on to the High Street and into the places where people meet to tell them about what they may be entitled to claim and to find out why they haven't claimed before.

More and more of our frontline operational staff are spending some of their time meeting customers where they live to tell them about Tax Credits, Child Benefits, and other entitlements. There is an observed increase in the number of eligible claims after these promotional campaigns and our people involved have expressed a better understanding of claimants' circumstances and concerns.



Charity fundraising

As well as contributing their time to voluntary and community organisations, our people have been raising funds for their chosen causes. Over 10% of them give regularly through the tax efficient Payroll Giving Scheme. Others run fundraising events in the workplace. News of these events is advertised on the community pages of our intranet site. Once again, our Call Centre employees gave up their time to take telephone pledges for the BBC Children in Need appeal. Across HMRC, staff collected over £100,000 for Children in Need through their own local fundraising activities.

Supporting communities internationally

Our employees continue to work in often very difficult conditions to help administrations in other countries to improve the governance of their tax systems and customs procedures. Their assistance supports wider government initiatives led by the Department for International Development and the Foreign and Commonwealth Office.

We support the schools in our local communities by offering work experience and internships. Our employees are encouraged to take school governor roles.



School Governors

HMRC has always encouraged its people to volunteer as school governors and provided special leave to meet some of the time commitment involved. We have become increasingly keen for them to volunteer in secondary schools in disadvantaged areas. As well as suffering from poor educational standards, these areas also experience low Tax Credit take-up and low levels of tax compliance, so there are strong business and community benefits to concentrating our efforts here.

We have built a successful partnership with 'School Governors One-Stop Shop' - a charity, which recruits school governors in areas of social deprivation. Together we are running a very successful promotion campaign in HMRC offices in places where there is a shortage of school governors. In the first four months of the partnership we recruited an additional 22 HMRC employees to be school governors.

By encouraging this activity, HMRC can play its part in improving levels of children's education. And by building links with these schools we are able to help young people to understand the basics of the tax system.



Newcastle strengthens links with local community

Our Newcastle office at Longbenton employs over 3,000 people. It has been strengthening links with its local community through a variety of business related school programmes. In partnership with Career Academies UK, volunteers mentored secondary school students by providing one-to-one support with coursework and life skills, and acting as role models, critical friends and advisors. Two of the students took up internships in the Newcastle office and received the full clerical officer wage for the duration of their placement.

The office hosted 26 work experience placements from 14 schools. Through the 'Connexions' programme staff helped in three local schools to introduce students to the world of work. These Business Ambassadors raised awareness of career opportunities and conducted mock interviews to give students the chance to learn interview techniques and increase their confidence.

1,300 people visited our Tax Credit information stands in supermarkets and community areas of Birmingham.

Supermarket Sweep

Through our research, we discovered that there were about 400 families in Birmingham's most disadvantaged areas who could have been claiming Tax Credits but weren't. Instead of waiting for them to come to us, our volunteers ran a four day outreach event in three areas of Birmingham. They set up stands at Asda and Lidl supermarkets, a Children's Centre and a neighbourhood drop-in office and gave advice to over 1,300 people. Customers said they appreciated our volunteers being there and enjoyed the face-to-face contact.

This innovative pilot featured as an example of good practice in a report by Baroness Neuberger on volunteering across the Civil Service.

During 2008-09, more than 100 Tax Credit staff took part in outreach work with over 7,500 customers. This resulted in arranging nine Child Benefit awards equating to £140,000, based on their expected 16 year eligibility period, and making payments of more than £60,000 for Child Tax Credit and over £25,000 of Working Tax Credit.



communities

Success stories



Over 10% of our people donated to charity via our payroll.

Each year we provide a telephone answering service and donation processing facilities for the BBC Children in Need appeal.

Children are put in charge of raising taxes when they play the interactive ‘Fair Shares’ game launched by HMRC on the DirectgovKids website. The game helps them to learn about taxes by balancing taxation and spending on essential services in a fictional ‘Directgov town’.

Benefits and Credits staff were nominated for an Investors in Education award by the Lancashire Education Business Partnership for their work with adopted local schools.



Our people raised over £100,000 for the BBC Children in Need appeal.

People working in HMRC’s Tax Credits office were praised for helping the Preston Community Impact Group to win one of Business in the Community’s (BitC) “Big Tick” awards.

We provided a taste of the world of work through 269 work experience placements.

125 HMRC employees participated in the Prince’s Trust personal development programme.

Together with the Department for Work and Pensions (DWP) and the Tribunal Services, we raised £11,000 for a children’s charity from the profits of recycling our plastic internal mail envelopes.

Our Olympics Games Unit is working to facilitate the trouble free movement of competitors, supporters and equipment in 2012.

More than 90 HMRC employees acted as mentors for university students from Black, Asian and Minority Ethnic (BAME) backgrounds, as part of a nationwide programme run by the National Mentoring Consortium.

We funded 57 voluntary sector projects through our Grant in Aid programme, including a helpline to provide advice to hard to reach customers on tax debt and claiming tax credits.

Risk and Intelligence staff supported under-achieving secondary school students through a scheme run by Education Leeds. They received ‘Celebrating Success’ awards from the council in recognition of their contribution.

We are raising the standard of revenue administration round the world that benefits communities here and overseas. We provided Ethiopia’s Revenue and Customs Authority with expert advice and practical assistance to modernise its systems and service.

We seized hundreds of counterfeit Nintendo DS games consoles from UK freight depots in the run up to Christmas. They had been ordered over the internet and were supplied with potentially dangerous power adaptors.

Holidaymakers can listen to a free podcast, which tells them what items can and can’t be brought back into the UK from a trip abroad.

What next?

Judy Greevy, Head of Corporate Responsibility and Diversity, looks into the future



Last year when I was asked what my top three CR priorities would be in 2008-09, I said: to make it easier for our vulnerable customers to interact with us as an organisation; to reduce our carbon emissions; and to increase awareness of CR across HMRC and the public sector. I think it is fair to say that the case studies and examples of good practice in this report demonstrate how active we have been in responding to these priorities.

For next year the environment will continue to be one of our biggest challenges. As the government milestones for 2011 edge closer we need to continue with our big initiatives for reducing carbon emissions and also to harness all the goodwill and energy of our people who are concerned about climate change and want to do something to help.

Our second priority will be to give people the tools to turn their good intentions into good ideas and to put those ideas into practice. By building CR thinking into our PaceSetter business improvement programme, I think we can move beyond corporate responsibility to sustainability and

by that I mean balancing the social, economic, environmental and cultural aspects of what we do.

Lastly, we need to have a shift in our approach to community activity. Our programme is well developed with a clear remit that any activity undertaken must benefit our customers in the community, our people taking part and the HMRC business. I would like to see HMRC managers having a better understanding of how helping in the community can be a very effective 'hands on' tool for developing the skills and competencies of their staff, increasing their confidence and boosting their morale.

As many of our CR challenges for 2008 through to 2010 are well on the way to being met or exceeded, I have added a set of new challenges specifically for 2009-10. I look forward to reporting on these next year.

Judy Greevy

Head of Corporate Responsibility and Diversity

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Our corporate responsibility challenges for 2008 through to 2010

	Our aim is to...	Our challenge is to...	Status	2009-10 extra challenge
For our customers	be more accessible to our diverse range of customers	<ul style="list-style-type: none"> increase the take-up of benefits and credits and e-services make it easier for our vulnerable customers to deal with us promote an understanding of responsible tax 	green amber amber	introduce more effective systems to simplify our procedures
For our people	make HMRC a better place to work	<ul style="list-style-type: none"> increase our people's confidence in their leaders and managers build a package of measures to support the well-being of our people 	red amber	increase the profile of staff diversity networks with an Executive Committee level Champion assigned to each network
For the environment	minimise the environmental impact of our activities	<ul style="list-style-type: none"> reduce the volume of paper sent to our customers be recognised as one of the top 10 government departments for reducing carbon emissions 	amber amber	reduce business travel by 10%
For our communities	introduce a new community programme to help tackle social exclusion	<ul style="list-style-type: none"> deliver a 50% increase in our volunteering activity create effective community partnerships across the UK 	red amber	increase managers' understanding of how effective community activity can be to develop the skills and competencies of their staff

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