

HMRC 2009/10 Central External Research Programme – managed by Knowledge Analysis and Intelligence Directorate

Table 1: New Projects commencing during 2009/10

Project Reference	Title	Description
Personal Tax		
09-10 PT.11	Child Trust Fund Evaluation – Wave 2	This survey research is needed for the Child Trust Fund evaluation. The results will be used to compare changes in perceptions of the Fund against baseline data collected in 2004/5 covering issues such as how well the scheme is achieving its objectives of: helping people understand the benefits of saving and investment; encouraging parents and children to develop a savings habit; and, improve their financial literacy.
09-10.PT.16	HMRC Contact Centres Customer Satisfaction Survey	Research to monitor customers' perceptions of the service offered by Contact Centres, including all eight lines of business covered by call centres. Quantitative research involving a bespoke telephone survey with a sample size of approx. 9000 with 600 interviews a month.
09-10.PT.17	Online Customer Satisfaction Survey	Research to provide a representative view of customer satisfaction for both the HMRC website and live online services. The results will be used to evaluate how changes to the core content of the website are received by customers and to inform future changes.
Business Tax		
09-10 BT.11	VAT Rate Reduction – Compliance Cost Review Stage 2	Following on from Stage 1, this research will look at the effect of restoring the VAT rate to 17.5% with the overall aim of gathering robust information to improve the compliance cost assessment for VAT rate and other tax policy changes.
09-10 BT.06	Investigation into the feasibility of carrying out a longitudinal panel survey of the business population	Research to determine the best methodological approach to take to improve HMRC's understanding of business customers' attitude to tax and their experience of dealing with HMRC over time.
09-10 BT.05	Annual Large Business Customer Experience Survey	Research to update the 2008/09 evaluation of the Varney Review of Links with Large Business and the 14 proposals that followed. Will address business perceptions of the success of these proposals and measure improvements in customer experience.
09-10 BT.12	Qualitative study of businesses' Research and Development (R&D) decision making processes	Research to inform the evaluation of the R&D Tax Credits policy by providing information about the impact of R&D Tax Credits on the behaviour of recipients in terms of stimulating new research and innovation.
09-10. BT.01	Qualitative Evaluation of the UK Intangibles Regime	Research to explore the impact of the Intangibles regime on the competitiveness and flexibility of business following major changes in 2002. From the view of businesses, the research will explore the commercial pressures behind decisions to locate intangible assets and royalty streams offshore.
Benefits and Credits		
09-10 BC.07	Study on the take-up of Working Tax Credit and Child Tax Credit	The survey-based research will explore what proportion of eligible non-recipients of WTC fall into the following groups: interested in taking up tax credits; might take it up; and, will not take it up on principle. It will also explore the characteristics of those that fall into these three groups, what proportions are aware of the eligibility and the factors that might encourage take-up.

09-10 BC.08	Cognitive testing of the income sections of the tax credits claim form (TC600) and annual declaration form (TC603D)	Research to explore the main reasons why some customers make errors when completing or reviewing the income sections of tax credit forms. Will allow an insight into customers' understanding and interpretation of the income section, including how customers calculate the information given and their views on the layout, language and terminology.
09-10 BC.06	Using cognitive testing to look at customers' understanding of the aspects of the tax credits system related to disability	Project aims to explore the experiences and understanding of the tax credit system among customers who are disabled or who are caring for a dependent with a disability. The research will explore the complete tax credit journey, highlighting where in the process mistakes are being made and why.
N/A* [Proposal in process of being developed]	Research to support the evaluation of HMRC childcare affordability pilots 2009.	This is a multi-stage research project using qualitative and quantitative methods to explore customer experience of the full actual costs and 100% childcare costs of pilots being run jointly by DCSF and HMRC.
Enforcement and Compliance		
09-10 EC.01	2009 Compliance Perceptions Survey	Research to extend current compliance perceptions data collection to enable HMRC to measure changes over time from the baseline year (2008). Questions will cover perceptions of: compliance levels; the probability of an intervention; what an intervention entails and the probability and consequences of being caught if evading.
09-10 EC.03	The effects of the changing economic climate on the compliance behaviour of the self-employed and the implications for HMRC	Research, building on an in-house evidence review, which aims to test the findings of the review, through primary qualitative research, about the behavioural influences on compliance behaviour of the self-employed.
Strategic Analysis / HMT		
09-10 HMT.03	HMRC Computable General Equilibrium Model (CGE)	The CGE model is well placed to answer fundamental questions in tax policy analysis that, due to their complexity, other methodologies are unable to account for. HMT now require that any budget measure in excess of £500m is assessed for its behavioural impact through the CGE model. This research will aim to update and review methods and data used in the CGE model.
09-10 HMT.01	External Econometrician to provide evaluation research, support and quality assurance	Funding of an external econometrician will support evaluation research and ensure that methodologies used in HMRC are transparent, credible and consistent with best practice.
Corporate Services		
09-10 CS.01	HMRC Staff Survey	Survey based research to explore how engaged HMRC staff are with the business, the drivers of employee engagement, HMRC staff attitudes to working in the department as well as whether these factors are changing over time and, if so, where this change is most apparent?

Table 2: Existing Projects, continuing from 2008/09

Project Reference	Title	Description
Personal Tax		
04-05.A2.9	English Longitudinal Study of Ageing (ELSA)	ELSA examines the interrelationships between different aspects of ageing. This enables us to learn more about the relationship between social status, health and financial arrangements for retirement.
08-09.CAS.3	IFS Research Consortium on Pensions	The research will be used to build on our evidence base on pensions and saving behaviour. Contributing to this consortium means that we would be able to influence the research so that it is more relevant and practical to HMRC policy.
08-09.CATRA.2	HMRC Customer Perception Survey 2008-11	Research to measure DSO2.1 and assess progress towards achieving the HMRC ambition of becoming a customer focused organisation. Replacing the Customer Services Survey.
08-09.PT.30	Wealth and Assets Survey	This survey provides data on households' holdings of wealth and assets which informs HMRC's ability to develop robust evidence-based policies in the area of assets, savings and wealth.
08-09.PT.32	The effect of charitable tax relief on donor behaviour	Research into what effects tax relief for charitable giving, in particular Gift Aid, have on the amounts or ways that individual UK donors give to charity.
08-09.PT.32	Post implementation review of rewritten income tax legislation	Research to establish whether tax professionals find rewritten income tax legislation easier and clearer to use.
08-09.PT.33	Feasibility of collecting information on salary sacrifice arrangements	Research to assess the feasibility of conducting large scale research to provide an estimate of the cost of salary sacrifice arrangements.
Business Tax		
08-09.LBI.5	Review of Links with Large Business – Evaluation	A public commitment was made in PBR 2007 to evaluate policies against these themes by developing a package of quantitative and qualitative measures to define and challenge our progress, provide assurance that we are accountable and encourage and reward the right behaviours in our people.
08-09.BT.32	Modernisation of VAT Retail Schemes	Research to explore how many registered VAT retailers use a retail scheme to calculate their VAT liability and, correspondingly, how many use standard VAT accounting rules.
08-09.BT.33	New Construction Industry Scheme: Post implementation Review Research	Research to test the validity of assumptions made in impact assessment of the new scheme and KPMG's work to estimate costs.
08-09.BT.36	VAT Rate Reduction - Compliance Cost Review	Research to systematically gather information with a view to improving our compliance cost assessment for VAT rate and other tax policy changes.
Benefits and Credits		
08-09.CATRA.6	Panel Study of Tax Credit and Child Benefit Claimants 2008-11	Key aims of this research are to: identify intended outcomes of the tax credits and Child Benefit systems as well as the problems and where these occur; monitor performance of tax credits and Child Benefit systems; and, to test new approaches to delivering services.
08-09.BECR.30	Research to explore tax credits (TC) overpayment and related debt to HMRC	Qualitative research to explore the customer perspective of a range of related issues about tax credit overpayment.
08-09.BECR.31	Tax credits customers' understanding of their responsibility to declare that they have a partner	Research into customers' knowledge and understanding of their responsibilities to declare that they have a partner in the household when making a tax credit claim and views and behaviour on relationship formation and break-up.
08-09.BECR.32	Understanding of tax credits responsibilities among migrant workers	Research to understand tax credit responsibilities of migrant workers.

N/A* [TCTP Project]	Quantitative and Qualitative research to support an evaluation of tax credits pilot initiatives in Children's centres, as part of the Tax Credits Transformation Programme.	Research to explore the experiences, opinions and understanding of responsibilities of Children's centres' customers and staff that come into contact with the TCTP 'Outreach through Children's centre' Service Improvement Module (SIM) being run by Claimant Compliance.
Enforcement and Compliance		
08-09.CS.6	Omnibus Survey – Smoking module 2008/09, 2009/10 and 2010/11	This survey provides key information and underlying data for the HRT tax gap as well as more timely information to monitor progress of PSA 1.2a.
08-09 CS.1	Alcohol and tobacco cross border shopping estimates through sponsorship of questions in the ONS International Passenger Survey	The data from this survey is used in tax gap calculations for tobacco and alcohol. Cross border shopping estimates form an integral part of this process and need to be as accurate as possible. Departmental strategies are based on our assessment of the illicit market.
08-09 CS.2	Purchase of the ONS Expenditure and Food Survey dataset	This survey provides essential data for the calculation of the tax gap, as part of the PSA and DSO measures for alcohol – these require an accurate estimate of total consumption for the calculation of the illicit market share.
08-09 CS.13	HMRC Contribution to the General Household Survey – PSA Measure for Tobacco	The PSA measure for tobacco and DSO 1 require an accurate estimate of total consumption for the calculation of illicit market share. This survey has provided the underlying data for both the cigarette and HRT tax gap since 2001.
08-09 EAC.30	2009 Cross-border shopping oil survey	Research to explore the total volume of diesel that is legitimately cross border shopped by international passengers and the total volume brought back from each country in the EU.
Strategic Analysis / HMT		
04-05 A1.1	A joint HMRC/HMT Sponsorship of Public Economics UK (PEUK)	PEUK is a forum for UK-based academic economists and policy makers interested in the broad area of applied theoretical and empirical analysis of public policy to meet and to exchange ideas. It sponsors specific think pieces, seminars and research on tax related issues.
08-09 SAMAR.2	A joint HMRC/HMT/OGD/ESRC funded tax policy and operations research centre	To significantly develop strategic and long-term research capacity, HMT/HMRC/OGD and ESRC should fund a tax policy and operations research centre. This would be a virtual group of academics with appropriate subject and methodological expertise providing an evidence and analysis service on annual themes identified by HMT/HMRC and others.
08-09 SAMAR.3	A joint HMRC/HMT/OGD/ESRC funded medium to long term programme of research on tax policy and operations	A 5-year programme of 20-25 linked projects to provide a substantial new evidence base on important gaps that have been identified in strategic themes, such as: the application of behavioural economics in modelling and forecasting and in understanding tax operations; measuring efficiency in tax administration; comparative international research on tax administration; and, measuring the tax gap more effectively etc.
08-09 SAMAR.4	Collaborative funding with the ESRC for two three year PhD studentships	Establishing a collaborative relationship with the ESRC through the joint-funding of PhD studentships will enable HMRC to efficiently support the development of highly skilled and specialised researchers who have an understanding of HMRC's policy and operational interests.