

DELIVERING CORPORATE RESPONSIBILITY: HMRC STRATEGIC FRAMEWORK AND PLANS

1. The purpose of this document

1.1 The purpose of this document is to:

- demonstrate why corporate responsibility (CR) is integral to the success of the HMRC business
- outline a strategic framework for maximising the commitment of the HMRC business units to a programme of CR actions
- give focus and direction
- provide the glue which holds together the diverse range of CR activity.

The document covers:

- the HMRC vision and values within which CR sits
- the social context in which CR operates
- the business case for CR
- how CR can help HMRC achieve its business goals
- the governance required to embed CR in the business
- processes and communications to raise awareness of CR.

2. The social context

2.1 HMRC operates in a world in which the expectation of public services is undergoing a dramatic shift, for example:

- consumerism, the enterprise culture and fast effective communications mean that customers expect easily accessible services

- customer bases are widening and becoming more diverse
- public services are expected to fit with changing public values, such as concerns about the environment
- understanding the diversity of employees' needs is key to retaining and motivating staff and raising awareness community needs

These changes are bringing significant benefits to individuals, businesses and communities. However, they are also giving rise to significant concerns about trust, exploitation of the environment and the disadvantaged, loss of privacy and the ability to influence decision making.

3. The business case for corporate responsibility

3.1 HMRC is responsible for administering tax and customs controls fairly and efficiently.

Our vision is of a public service that:

- makes it quick and easy to pay taxes and claim credits
- collects taxes that help to make a crucial difference to people's lives
- ensures that everyone in Britain makes their due contribution
- protects our borders

Our core values are:

- being professional and helpful
- acting with integrity and fairness
- improving the customer experience
- achieving success by appreciating differences and working together.

3.2 As one of the largest government departments with a staffing level approaching 100,000 and an estate extending across most of the UK, we recognise that we have obligations to our staff, our customers, our stakeholders (including ministers), and also to the environment and the communities where we

live and work. There is an expectation that we will demonstrate responsible business practices; build and maintain our reputation as an ethical organisation; and play an important role in the delivery of the UK's sustainable development strategy. Corporate responsibility encapsulates this expectation.

3.3 For HMRC CR means that: *if we are proactively responsible to all our stakeholders, we will enhance the achievement of our business goals.* By embracing this definition we will foster support from our staff, our customers and other stakeholders. This support will in turn enable us to be more effective in everything we do and help us to meet our PSA targets, demonstrate our values, focus on our vision and realise the HMRC aim - *to contribute to the integrity and well being of the UK.*

3.4 We are taking steps to embed CR in everything we do. This will enable us to:

- establish a direct relationship with our customers and stakeholders to help us understand them and them to understand us
- tie our success as an organisation to the success of the communities we serve
- improve understanding of the importance of taxation and our other functions to enhance our 'licence to operate'
- attract, recruit, motivate and retain the best talent available from the widest possible pool of the workforce
- encourage our staff to take part in activities that develop them, widen their understanding of the problems faced by some sections of the population and thereby demonstrate our commitment to improving services for customers and communities in ways which reinforce our core values and objectives
- increase pride, morale, motivation and productivity amongst our employees
- manage the integrity of our suppliers
- enhance and protect our reputation as a trusted public service organisation
- change attitudes and behaviours to the environment
- minimise risk and reduce costs
- promote innovation and better ways of doing things.

4. The strategic framework

Goal: To strengthen our CR leadership position within the public sector	What it means to us	Our Goals	Issues where we have a competitive advantage and therefore lead	Issues on which we will be judged
Our Customers	We deal with over 40 million customers who range from large corporations to SMEs and individuals. As well as collecting central government revenues, we are responsible for paying out tax credits, we play an important role in law enforcement and the protection of society, and we help to facilitate international trade	<ul style="list-style-type: none"> • Close the tax gap • Ensure those who should receive credits and payments do so • Improve the customer experience • Strengthen frontier protection 	<ul style="list-style-type: none"> • Revenue Collection • Serving and supporting diverse customers • Protecting natural resources and enhancing the environment • Frontier protection and border control 	<ul style="list-style-type: none"> • Easy to understand documentation / information • Responsible products and services • Respect of privacy • Appropriate consultation • Efficiency and meeting customer needs • Product accessibility and diversity • Responsible marketing
Our People	We are one of the largest central government departments employing nearly 100,000 people. We aim to attract, recruit and invest in the most capable and innovative people creating an environment in which they can realise their full potential and enjoy a great place to work.	<ul style="list-style-type: none"> • Achieve improved efficiencies through enhanced productivity • Develop a customer focussed culture • Encourage a performance culture underpinned by collaborative working 	<ul style="list-style-type: none"> • Employee diversity and opportunity • Continuous professional development and learning • Technical expertise 	<ul style="list-style-type: none"> • Communication and consultation • Reward and recognition • Respecting the balance between life and work • Employee health, safety and well-being • Business Ethics/Code of Conduct • Training, education and professionalism • Employee redeployment and downsizing • Freedom of association and collective bargaining
Our Communities	Our presence in circa 900 locations throughout the UK places responsibilities upon us to manage our impacts positively and to strive to make a difference on social issues where we have a physical presence	<ul style="list-style-type: none"> • Promote a culture of volunteering and engagement • Assist the regeneration of deprived areas in support of marginalised groups by focussing activity on a unified theme that delivers high 	<ul style="list-style-type: none"> • Supporting under-served/emerging communities • Detection of illegal imports • Protecting society 	<ul style="list-style-type: none"> • Acting as a good neighbour • Community partnerships • Employee volunteering • Gifts in Kind • Local sourcing of products and labour • Seizures of illegal goods • Managing our impact in the wake of office

Goal: To strengthen our CR leadership position within the public sector	What it means to us	Our Goals	Issues where we have a competitive advantage and therefore lead	Issues on which we will be judged
		impact both internally and externally <ul style="list-style-type: none"> • Minimise the impact of our office closure programme on the local communities • Minimise the volume of illegal importations entering the market place • Facilitate international trade 		closures
Our Environment	Managing our business so that we deliver best practice sustainability principles	<ul style="list-style-type: none"> • Contribute to the delivery of the UK Sustainable Development Strategy 	<ul style="list-style-type: none"> • Conserving the environmental integrity of the Estate • Managing the delivery of environmental taxes 	<ul style="list-style-type: none"> • Reducing energy, water use and waste • Sustainable procurement • Reducing CO2 emissions • Recycling • Reducing our paper consumption • Operation of environmental taxes • Seizure levels of for example - ozone depleting substances, endangered species

5. The actions and measures to support the corporate responsibility framework

5.1

To embed CR successfully into the organisation, we will need to address two key areas:

- **strategies and plans:** integrate CR into our strategies and plans. This will involve each business area interpreting what CR means for them, in the context of the CR framework and in terms of products, services and capabilities
- **policies:** develop CR policies to bring consistency to CR issues that impact across the organisation. Ensure CR is considered at part of HMRC policy development and policy maintenance.

5.2 Actions required include:

	2006/07	2007/08	2008/09
Strategies	<ul style="list-style-type: none"> Gain Board / CRSG level support for central CR framework at 4. above Develop and launch a 'big idea' / 'unified theme' which gives focus and direction for all HMRC CR activity and allows business units to own their own targets Agree 1st level CR priorities with measurable targets for high impact business units to include in their business plans 	<ul style="list-style-type: none"> Agree 2nd level priorities for high impact business units and all priorities for low impact business units. Ensure measurable outputs and incorporation into business plans Carry out annual review and report to Board / CRSG Continue to promote and implement 'big idea' / 'unified theme' 	<ul style="list-style-type: none"> Review strategic approach
Policies	<ul style="list-style-type: none"> Develop and publish 'cross-cutting' policies on CR, SD and volunteering Encourage business units to review the CR / SD content of their current policies 	<ul style="list-style-type: none"> Refine and review central CR / SD policies Commission Internal Audit examination of vulnerable policy areas eg those with high SD impact 	<ul style="list-style-type: none"> Ensure that CR performance is consistent across HMRC

5.3 To judge whether we are delivering CR effectively and efficiently, we have set the following performance measures:

	2006/07	2007/08	2008/09
External benchmarks	<ul style="list-style-type: none"> Achieve at least 'silver' in the BitC Index Achieve Big Ticks for BitC Awards for Excellence entries Be recognised as CR leader across government Met government targets on SD Positive feedback on Prince's Trust and international capacity building work 	<ul style="list-style-type: none"> Improvement on 06/07 awards and feedback Government targets exceeded for SD National recognition for activities relating to our 'unified theme' 	<ul style="list-style-type: none"> Top performing organisation in business sector for BITC awards

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	2006/07	2007/08	2008/09
Targets	<ul style="list-style-type: none"> • Report measurable successes in 06/07 CR review • Communications campaign starting to refocus CR activity in line with 'unified theme' to produce tangible business benefits • CR and SD incorporated into five year plan, autumn planning round and 07/08 plans for high impact business units • Internet and intranet CR websites revamped and up and running • Successful delivery of CR conference for Chancellor and Prince of Wales 	<ul style="list-style-type: none"> • Report performance and illustrate progress using mix of descriptive and performance measurements • Significant cost savings from change in behaviours relating to SD activity • Leading CR conference across government • Register of CR and SD activity and impact measurements • Introduction of local CR forums • Model offices for SD 	<ul style="list-style-type: none"> • Report Performance and illustrate progress using mainly performance measurements

6. Governance

6.1 Our CR governance system includes:

- **Leadership and accountability** - we have secured top level commitment to CR across HMRC from the Board. The Chairman and deputy chairman are both actively involved with Business in the Community, BitC, and the Prince of Wales's charities, and our Director of Corporate Services, Frontiers and Environmental Taxes has taken on the role of CR champion at Board level. Many of our Directors from the '46 group' have signed up for 'Seeing is Believing' tours and are also engaged in one-to-one discussions with our CR champion on taking forward CR in their business areas
- **Implementation** - overseeing the implementation of this strategy and associated plans is the responsibility of the Corporate Responsibility Steering Group (CRSG), which is a sub committee of the Board. It makes regular reports on progress and seeks endorsement from the Board on key decisions. The CRSG is chaired by a non-executive director and includes representation from directors across a range of operational business units. It provides the strategic direction for progressing CR activity across HMRC and Whitehall

- **Day to day management** - the CR team manages issues consistently and efficiently across HMRC. Its role will be further strengthened by the establishment of 'local' CR Forums representing the major business units
- **Stakeholder Engagement** – we must be able to listen to those who have a view on how we perform. We will raise awareness of CR through: one to ones with Directors, the internet and intranet including 'question of the week', articles in One HMRC, national press and journals, meetings with voluntary groups, NGO, pressure groups etc, e-learning packages, presentations to business groups and team meetings, cascade briefings, etc. CR and SD will also be incorporated into induction, training and talent programmes. Volunteering and awareness programmes, such as 'Seeing is Believing' will be encouraged as they give staff first hand experience of CR related issues
- **Risk Assessment / audit assurance** – we will work closely with Internal Audit to assess CR risks, produce a CR risk register, feed into the HMRC risk register and provide assurance that we are reporting honestly and accurately.
- **Reporting** – we will publish a CR Report at the end of each financial year. The report will be made available to all our stakeholders.

6.2 Key actions on governance are summarised below:

	2006/07	2007/08	2008/09
CR Steering Group	<ul style="list-style-type: none"> • Agree and launch HMRC's strategy, action plan • Develop and launch 'unified theme' to provide a central focus for business unit CR activity • Agree communications plan • Review membership of Steering Group 		
Board	<ul style="list-style-type: none"> • Consider regular updates and provide a steer where appropriate • Consider impact of CR on future plans and policies • Challenge '46 and 400 groups' CR activity 		
CR Unit and Forums	<ul style="list-style-type: none"> • Implement the CR strategy and associated action plans • Plan and deliver the October CR conference for the Chancellor and Prince 		

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	2006/07	2007/08	2008/09
	<p>of Wales and an internal CR event for members of the 400 group</p> <ul style="list-style-type: none"> • Influence and co-ordinate work on meeting the SD government targets • Work with Communications and Marketing to deliver communications programme • Establish business unit forums • Business unit forums to prepare their own CR plans 		
Stakeholder Engagement	<ul style="list-style-type: none"> • Encourage Directors and their teams to participate in local and bespoke Seeing is Believing events. • Persuade 46 group and other key SCS stakeholders, e.g. high potential scheme participants to take on board the CR framework and the 'unified theme' • Engage Directors in half yearly discussions with CR champion on progressing CR in their business units • Confirm internal and external stakeholders and establish a plan for engagement 		
Risk Assessment	<ul style="list-style-type: none"> • Produce and agree a risk register • Discharge IA action points • Encourage IA to consider CR impact in future audits 		
Reporting	<ul style="list-style-type: none"> • Publish end of year review 		

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7. Risks

7.1 The risks of not taking meeting the actions in this plan include:

- an uncoordinated approach to CR across HMRC with no focus and overlaps / gaps in what we are trying to achieve
- insufficient business benefits
- CR activities are not embedded into business activities and are instead seen as add-ons requiring additional resource investment
- success in raising the profile of HMRC's CR agenda will cause external observers (eg the media) to look for 'chinks in our armour' and evidence that we are not 'practising what we are preaching'. This may lead to critical stories in the press
- external observers may also interpret CR work as a means of addressing failures and gaps eg work with marginalised customers. This may in turn lead to critical questions being asked and our reputation being put at risk
- insufficient impetus on environmental matters will leave us open to criticism from the Environmental Audit Committee and we will fail to meet the UK government targets on carbon emissions, recycling and waste.

8. Communications

8.1 Communications will be key to embedding CR in the HMRC business. Our key communications objectives for CR are to:

- raise awareness of corporate responsibility and sustainable development (SD) actions across HMRC and externally
- raise awareness of the governance of CR and SD activities
- ensure that HMRC has lines to take in response to potentially challenging questions about CR or SD
- support customer / stakeholder engagement and research arising from CR and SD research

8.2 To reap the benefits of CR, we need to communicate our approach and performance internally and externally:

	2006/07	2007/08	2008/09
46 Group	<ul style="list-style-type: none"> Present CR strategy and launch 'unified theme for CR activity- 11/06 		
Top 400	<ul style="list-style-type: none"> Provide Q&A briefing on taking forward CR in their business areas Promote CR through an internal conference 		
All employees	<ul style="list-style-type: none"> Develop and implement internal communication plans 		
Report	<ul style="list-style-type: none"> Sustainable development report ⁵ CR review at end of financial year CR included in HMRC Annual Report 	<ul style="list-style-type: none"> CR Review 06/07 	<ul style="list-style-type: none"> CR Report 07/08
BITC CR Index	<ul style="list-style-type: none"> Submit Index submission - 11/06 Submit Big Tick submissions - 01/07 		
Intranet	<ul style="list-style-type: none"> Launch CR section of intranet 		
Website	<ul style="list-style-type: none"> Improve website accessibility, look and feel 	<ul style="list-style-type: none"> Enhance website with case studies 	
PR & Marketing	<ul style="list-style-type: none"> Chancellor's Conference - 10/06 Offer benefit of experience to other government departments 	<ul style="list-style-type: none"> Publish strategy once CR strategy agreed Engage in external speaking 	<ul style="list-style-type: none"> Publish strategy once CR strategy agreed