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This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Order Contract

1. Context

- 1.1 Large businesses in the UK are an important customer group for HMRC and HM Treasury (HMT), providing significant revenue to the Exchequer. They can also be complex entities and important political influencers. For this reason, HMRC requires regular information about the experiences and views of the large business population to help assess the impact of key strategy and policy, and to measure their satisfaction with the service provided by HMRC. The Large Business Survey is the only representative research conducted with the large business population.
- 1.2 The new survey commission will need to be flexible in response to HMRC's changing services and requirements, providing robust and representative data for monitoring the effectiveness of strategy, policy and operational initiatives affecting the large business population.
- 1.3 It will also provide information to facilitate ongoing monitoring of large business customers' perceptions of HMRC and their experiences of dealing with us over time.
- 1.4 For the purposes of this research, the large business population comprises the 2,000 or so largest and most complex businesses in the UK, which have been allocated a Customer Compliance Manager (CCM) within HMRC's Large Business Directorate (LBD). Typically, these businesses have a turnover of more than £200 million, but other factors are considered when determining a business's complexity.
- 1.5 HMRC has surveyed the large business population on an annual basis since 2008. From 2010 to 2014, this took the form of the Large Business Panel Survey. In 2014, HMRC created the Large Business Directorate – a new, single division in HMRC to manage the UK's largest and most complex businesses. To correspond with this change, a new, annual survey vehicle was instated in 2015: the Large Business Survey (LBS).
- 1.6 HMRC now intends to procure a supplier to undertake a new survey from 2024-2026 to continue to monitor the experience of large business customers. Given the length of time the current survey has been running, HMRC are now

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looking to refresh the survey to ensure it fits with HMRC's evolving needs and, over the three waves, continues to innovate in its methods and analyses. The new survey should also be able to respond to emerging strategy and policy-related evidence needs, which may vary between survey waves.

- 1.7 Wave 1 (2024) will be a **development year** to allow exploration and testing of modifications to the survey. We expect the development year to include:

- 1.7.1. testing and evaluating the use of an online survey mode.
- 1.7.2. addition of new questions to measure business-specific contextual information.
- 1.7.3. collaborative discussions between the appointed supplier and HMRC about innovative methods and analyses for future waves.
- 1.7.4. delivery of a survey to allow HMRC to continue to monitor the experience of large business customers during this development year.

- 1.8 The new survey will launch in wave 2 (2025) and the format and content will be based on the decisions made during the development year.

- 1.9 Wave 3 (2026) will follow the same format as wave 2 and the questionnaire will be updated each wave according to HMRC's needs and priorities.

2. Research Aims & Objectives

- 2.1 Over the course of this iteration of the Large Business Survey (LBS), the overarching aim of this project is to understand the experience and satisfaction of large businesses when dealing with HMRC, including how HMRC and HMT strategy and policy initiatives affect this business population.

- 2.2 The core objectives of this research are:

- 2.2.1. To collect data on large businesses' overall perceptions and experiences of dealing with HMRC covering a range of core topics, such as their relationship with their Customer Compliance Manager (CCM), in order to measure aspects of the service that large businesses receive from HMRC.
- 2.2.2. To collect data on large businesses' attitudes and behaviour in relation to current HMRC and HMT operational and policy priorities,

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such as, but not limited to: Pillar 2, super deduction capital allowance, and the introduction of plastic packaging tax. This section of the survey is reviewed and modified on a yearly basis.

- 2.2.3. To gather relevant business-specific contextual information to aid longitudinal analysis.
- 2.2.4. To explore whether it is feasible to draw out more detailed and actionable insights on large businesses' experiences in addition to overall scores.
- 2.2.5. To maintain an in-depth knowledge of how HMRC's relationship with large businesses changes over time and identify where the experience of large business customers could be improved.
- 2.2.6. To ensure the survey vehicle can effectively monitor changes in perception of HMRC across a number of departmental performance measures such as trust and fairness.
- 2.2.7. To refresh both the methodology and analyses to ensure the survey fits with HMRC's evolving needs and continues to innovate.

2.3 The core topics to be included in the LBS are:

- 2.3.1. Customer experience including overall satisfaction with HMRC and with the CCM model.
- 2.3.2. Customer perception of the ease and fairness of the tax system.
- 2.3.3. How customers interact with HMRC, including support needed by businesses and their views on support currently provided.
- 2.3.4. Customer views on operational changes such as the introduction of Annual Conversations in 2021.
- 2.3.5. Attitudes towards risk, tax avoidance and compliance.
- 2.3.6. Administrative requirements to meet tax obligations.
- 2.3.7. Identifying factors that influence tax strategies.
- 2.3.8. New for 2024, will be the inclusion of questions to provide relevant business-specific contextual information to aid longitudinal analysis.

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3 Methodology & Scope

- 3.1 HMRC anticipates that the project's aims and objectives will be best met through a two-stage approach, consisting of a quantitative survey followed up with qualitative interviews, undertaken on an annual basis.
- 3.2 New for 2024-2026, we are open to methodological change regarding the approach to the quantitative survey (currently Computer Assisted Telephone Interview - CATI) and in wave 1 we would like suppliers to explore whether both online and telephone modes could be used in tandem.
- 3.3 We invite contractors to consider/outline how a multi-mode approach will provide actionable insights in the most robust way possible. Proposals should outline the benefits and challenges of moving to a multi-mode methodological approach. This may include outlining impacts on the ability to track data over time and comparisons between modes.
- 3.4 The contractor will be required to review and redesign the existing questionnaire for wave 1 of the survey (2024). The questionnaire will need to be updated according to HMRC's needs and priorities – both keeping some questions the same and developing new questions. The questionnaire is to be reviewed for suitability in wave 2 (2025) and wave 3 (2026). Further details on requirements linked to questionnaire change are highlighted in the survey development section below.
- 3.5 In line with previous iterations of the LBS, HMRC's preferred approach is a census survey of the entire large business population (approximately 2,000 businesses). Therefore, for each wave of the LBS, HMRC expects the contractor to recruit and survey as many large businesses as possible from this population. Thirty follow-up, in-depth interviews should be conducted with survey respondents.
- 3.6 Please note, further information has been provided in Annex A. This comprises text from the published 2022 technical report and useful figures from previous years (2019 – 2022).

Sample

- 3.7 For each annual wave of the survey, HMRC will provide the successful contractor with records for the full population of large businesses managed by HMRC's Large Business Directorate (LBD) at that moment in time. This will include approximately 1,800 to 2,000 businesses.
- 3.8 The sample provided will include:
 - the business name
 - business address
 - customer contact name

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- role
- telephone number
- email address

- 3.9 These details will be checked by the Customer Compliance Manager (CCM) for each large business before being shared to ensure they are as accurate and up to date as possible.
- 3.10 The sample will also include descriptors such as sector and region. Details of any other variables to be transferred will be agreed in consultation with HMRC.
- 3.11 Initial telephone/email matching will be required on a small number of records. Further telephone/email matching, and some manual matching, may be required throughout fieldwork. For costing purposes, tenderers shall cost on the basis that 20% of the sample will require telephone/email matching and 10% will require manual matching at some stage in the project.
- 3.12 The large business population has minimal variances each year. In each wave, the survey sample will consist of 'fresh' and longitudinal contacts. Therefore, where possible, HMRC wants longitudinal analyses conducted at each wave using the most relevant previous wave of data. Whilst high overall response rates are essential, the successful contractor shall also aim to encourage the same large businesses to participate in all three waves of the survey. This will enable more accurate longitudinal analysis at an individual business level to be conducted as well as on an overall population level.
- 3.13 Qualitative interview participants shall be purposively sampled from respondents to each annual survey who agreed to be re-contacted. For each wave, HMRC will liaise with the successful contractor to determine the final sampling approach for the qualitative interviews. The key sub-groups that will be purposively sampled each wave will be those where HMRC internal stakeholders have a particular interest in understanding the views and opinions behind survey answers provided by the large businesses. The purposive sample achieved in 2022 is provided in Annex A.
- 3.14 Response rates have fallen since the Covid-19 pandemic, and we are keen to work with a contractor that can bring innovative ideas on how recruitment and engagement can be enhanced to increase response rates to the maximum.

Advance Letter

- 3.15 An advance letter must be sent to all large businesses in the population via post as well as email, where provided. The advance letter must inform the

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business about the research and provide them with the opportunity to opt-out of the research if they wish.

- 3.16 Based on previous experience of the Large Business Survey, HMRC envisages the contractor using an 'explicit recruitment approach'. To provide transparency and help businesses plan for the research, the advance letter will notify participants that the survey will run for three waves. Tenderers can suggest an alternative to this approach but must provide evidence to support their recommendation.

Survey Development

- 3.17 As outlined above, we are seeking a contractor that can collaborate with HMRC to review and redesign the existing questionnaire for wave 1 of the survey (2024).

- 3.18 Wave 1 (2024) will be a **development year** to allow exploration and testing of modifications to the survey. We expect the development year to include:

- 3.18.1 testing and evaluating the use of an online survey mode.
- 3.18.2 the inclusion of a new set of questions to provide relevant business-specific contextual information.
- 3.18.3 updating questions according to HMRC's needs and priorities – both keeping some questions the same and developing new questions.
- 3.18.4 collaborative discussions between the appointed supplier and HMRC about innovative methods and analyses for future waves.
- 3.18.5 delivery of a survey to allow HMRC to continue to monitor the experience of large business customers during this development year.

- 3.19 The new survey will launch in wave 2 (2025) and the format and content will be based on the decisions made during the development year. Wave 3 (2026) will follow the same format as wave 2.

- 3.20 The questionnaire will be reviewed for suitability and updated in waves 2 (2025) and 3 (2026) according to HMRC's needs and priorities.

- 3.21 HMRC envisages that the survey will remain primarily telephone-based in wave 1 but with exploration of the feasibility of the use of an online mode in future waves.

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- 3.22 When considering mode, contractors should be clear on any trade-offs in consistency and response rates between modes. Whilst online methodology would be welcome it remains untested for this population. Contractors should therefore be clear how they would ensure a balance between continued/improved response levels and innovative methods, should an online methodology be introduced in future waves.
- 3.23 Contractors should also clearly highlight benefits and drawbacks of using multiple modes. This may include outlining any impacts on the ability to track data over time, as well as any proposed methods of calibration between the modes if required.
- 3.24 The survey questionnaire shall incorporate a core set of questions from previous waves to facilitate time series analysis of key aspects of the customer experience.
- 3.25 There is a need to balance the importance of tracking survey results over time with refreshing some of the survey questions to ensure continued relevance. The supplier will need to work with HMRC to ensure sufficient comparisons to earlier waves can be made, whilst also incorporating prioritisation to include new or amended questions to meet changing departmental needs.
- 3.26 The HMRC project team will carry out internal consultations with key stakeholders in advance of each wave to agree the content and scope of the survey, which will be communicated to the successful contractor. The core topics expected to be covered by each wave of the LBS can be found in section 3 at 3.3. These core topics will also be supplemented with new questions each wave of the survey, in response to HMRC's emerging priorities and evidence needs.
- 3.27 Although the broad topics to be covered in the survey are expected to be developed in-house, HMRC expects tenderers to have an important role in facilitating discussions with internal stakeholders on the final content of the survey and developing appropriate questions on the basis of topics suggested by HMRC. As such, tenderers are invited to suggest consultation exercises or reviews that they would like to undertake as part of the survey development for each wave.
- 3.28 When developing new questions, other annual customer surveys, such as the Individuals Survey and the Agents, Small and Mid-sized Business Survey will need to be considered to ensure alignment where relevant.
- 3.29 The final survey questionnaire used in 2022 can be found in Annex A.

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- 3.30 HMRC expects the survey to be tested and developed further with a combination of pre-testing, cognitive testing and piloting. In their proposals, tenderers shall describe, in detail, how they will carry out such testing and other tasks required to develop the survey.

Cognitive Interviews

- 3.31 HMRC envisages a small number of cognitive interviews to be conducted to ensure reliability and validity of the survey questions before each wave. HMRC expects separate cognitive testing for online and telephone modes. HMRC is open to suggestions on the recommended numbers of cognitive interviews. However, for costing purposes, tenderers shall cost for a total of 10 cognitive interviews per mode for each wave.
- 3.32 Tenderers shall outline their proposed method for recruiting participants for the cognitive interviews.
- 3.33 Once cognitive interviews are completed, a full debrief and recommended changes shall be provided to HMRC. HMRC will then agree any amendments or deletions in light of the cognitive interview results in collaboration with the successful contractor. Tenderers are invited to propose the best approach to collaborating with HMRC to agree these revisions.

Pilot Stage

- 3.34 Before each wave of mainstage fieldwork, HMRC expect a short pilot to test the administration of the survey itself. The pilot shall test the effectiveness of different recruitment approaches, determine any potential selection or information bias, provide an indication of likely response rates and average interview length, and highlight any remaining issues with question wording or routing.
- 3.35 New for 2024, we will require the supplier to pilot the use of an online survey, and explore related issues including but not limited to, recruitment, question formation and comparability of responses between online and telephone modes.
- 3.36 HMRC are open to suggestions on the recommended number of pilot surveys. However, for costing purposes, tenderers shall cost for 20 telephone and 20 online pilots per wave.
- 3.37 Once the pilot stage is complete, a full debrief covering the efficacy of the recruitment approach and recommended amendments to the survey questions, routing and/or length shall be provided to HMRC. In collaboration with the successful contractor, HMRC will then agree any changes or cuts in

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light of the findings from the pilot debrief. Tenderers are invited to propose the best approach to collaborating with HMRC to discuss and agree these revisions.

Mainstage Fieldwork

3.38 HMRC expects the appointed supplier to survey as many large businesses as possible from the large business population. Response rates were typically between 750 and 900 interviews before the Covid-19 pandemic, however response rates have not yet returned to pre-pandemic levels (see Annex A for more detail). The response rate for the 2022 sample was 548 interviews and HMRC is keen to see a significant increase/improvement in the response rate in future waves.

3.39 In wave 1 the survey interviews will primarily be conducted by telephone with a smaller online comparison sample. Depending on the success of the online surveys in wave 1, a decision will be made regarding whether a more substantial move to online would be productive.

3.40 Tenderers should cost based on the survey being fully telephone based and specify the change in cost for each wave if online surveys are adopted. To keep burden on businesses to a minimum, tenderers shall cost on the basis that the average telephone survey will last approximately 20 minutes. Tenderers should cost on the basis that for each wave, the quantitative fieldwork period will last 14 weeks.

3.41 Initial contact with potential survey participants will be crucial for recruitment and retention of respondents over the three waves of the survey. Some key issues affecting recruitment levels in previous waves include passing gatekeepers – where telephone numbers provided are for the switchboard and contacting individuals working from home¹.

3.42 Tenderers shall set out in their proposals their experience of recruiting and retaining respondents to achieve high response rates, including the experience of the proposed interviewing team, methods used to encourage responses to telephone and online surveys, tele-matching and the briefing/debriefing processes in the project team.

3.43 Tenderers are invited to provide innovative ideas on how recruitment can be enhanced to increase response rates to the maximum.

¹ This latter issue has been caused by the Covid-19 pandemic however, as more people may continue working from home on a regular basis in the future, this should be considered as a possible obstacle to recruitment in the future also.

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- 3.44 Follow-up, qualitative interviews shall be conducted with around 30 respondents to the survey who have agreed to be contacted for further research. These interviews shall collect in-depth, detailed data to explain or further support survey responses. Tenderers shall cost on the basis that these interviews will last around 45-60 minutes. The interviews shall be conducted by telephone or through a virtual platform. At present, incentives are not paid to the business or a charity for participation in the qualitative interviews and this has had no impact on recruitment. HMRC would therefore advise against the use of incentives in future waves.
- 3.45 Please note: in accordance with HMRC guidelines, a Welsh language service must be offered to those requesting it in either the quantitative or qualitative research materials. Advance letters sent to individuals in Wales must also provide a Welsh translation, with the option to request the interview be carried out in Welsh. There should also be provision for the final report to be translated into Welsh. The HMRC Welsh Language scheme can be found here: [Welsh language scheme - HM Revenue & Customs - GOV.UK](#) Contractors shall outline any additional costs associated with providing this service within their costs proposal.

Analysis

- 3.46 HMRC invites tenderers to propose new and innovative ways of analysing the data provided by each wave of the survey to provide internal stakeholders with optimum insight from the results.
- 3.47 The analytical approach used in 2022 is outlined in Annex A. HMRC is keen to modernise the existing analysis plan to gain a deeper understanding of large businesses' experience and perceptions to provide more nuanced insight. We welcome tenderers views on how to refresh the analytical plan with particular focus on the following areas:
- 3.47.1 Some large businesses have taken part in multiple waves of the LBS, and this data has been analysed to help HMRC understand changes in the views of customers over time. Currently analysis predominantly compares the latest wave to the penultimate wave (e.g. 2023 vs. 2022). HMRC would like to explore whether there are longitudinal analyses which would provide deeper insight into customer experience.
- 3.47.2 HMRC would like to use analyses, including quadrant analysis, to identify groups within the large business population that we need to focus on, to support strategic decision making.

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- 3.47.3 HMRC would like to explore whether it is feasible to draw out more actionable insights on large businesses' experiences and attitudes by exploring the relationship between survey responses and business-specific contextual information variables.
- 3.47.4 HMRC would like to use analysis to identify the areas which have the most impact on large businesses' overall experience of dealing with HMRC. For example, which elements of HMRC's service are most likely to contribute to a 'good' rating of overall experience.
- 3.47.5 Sub-group comparisons currently include turnover, number of employees, contact with CCM and undertaking a Business Risk Review. HMRC would like to explore whether there are additional sub-group analyses which would draw out more actionable insights.
- 3.47.6 Cross-sectional comparisons are predominantly made with the first and latest previous waves of the Large Business survey (e.g. 2022 results were compared to findings from the 2021 and 2020 waves) HMRC would like to explore the best way to approach time-series analysis to gain the most insight.

Data Linking

- 3.48 HMRC requires the option of linking the survey data collected from the LBS with internal data on large businesses, such as Corporation Tax receipts data and other internal operational data.
- 3.49 The previous process used for the data linking exercise in each wave uses an anonymous unique identifier which is included in the original dataset of business records supplied to the successful contractor. Any further internal data that HMRC requires linking to the survey results is sent to the successful contractor separately at a later stage. HMRC's internal data is then linked to the survey data and a full, anonymised dataset is then supplied to HMRC.
- 3.50 We understand that consent will need to be sought at every wave of the survey, regardless of previous outcomes resulting from the opt-out process. Tenderers shall outline their experience in this area and how they will facilitate the data linking process; for example, the steps they will take to obtain consent from businesses and implement the linkage.

Reporting

- 3.51 The Supplier will need to develop effective and insightful methods/formats for communicating survey results both internally within HMRC and externally for publication on GOV.UK. This should include fast turnaround reporting of

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interim results, a written report to be produced in an accessible format of publishable standard and a range of more in-depth internal outputs.

3.52 HMRC encourages suppliers to draw on innovative approaches and industry best practice to generate new and engaging outputs e.g. webinars for the large business populations.

3.53 Outputs need to be accessible, attractive, and insightful.

3.54 The HMRC project team will work with internal stakeholders and the successful contractor to agree the topics of focus, key audience and content of each internal output and to determine the style and format to be used on each occasion.

3.55 In the past infographics have been produced for internal outputs. Their succinct and engaging style has been well received by internal stakeholders. Tenderers are invited to suggest innovative and creative ideas for the style of internal outputs, including detail on why these particular styles are most appropriate/best format to engage internal stakeholders with the research findings.

3.56 Tenderers should provide details of how their presentations would provide:

3.56.1 Compelling outputs that will engage HMRC senior leaders.

3.56.2 Strategic insights from the results that would enable us to measure and assess HMRC's high-level performance in relation to customer experience and perceptions of HMRC over time.

3.56.3 Key insights that will allow internal stakeholders to understand the impact of findings on their work/area of responsibility, including highlighting action to be taken to provide future improvements.

One Customer Narrative

3.57 Whilst this contract covers the large business population, contracts will also be awarded covering customer surveys with the Individuals population and Agents, Small and Mid-sized business population. The three contracts may be awarded to different suppliers following completion of competitive processes.

3.58 Although it is important to understand the experiences and perceptions of different customer groups, providing a single cohesive view of our customers is also valued. For example, standardising certain questions and creating a high-level narrative presentation that covers all customer groups in one document (in addition to the deeper reporting for each contract).

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3.59 We would like tenderers to highlight both their willingness to work with other suppliers / teams to create an integrated and coherent headline customer narrative. We are interested specifically in understanding how they propose this would work in practice, along with risks and how these would be mitigated, as well as any prior experience in working in such a way.

4 Timetable

4.1 The timetable provided below sets out an indicative timeline expected by HMRC for the first wave of the LBS. Tenderers are required to demonstrate in their tenders that they will be able to complete the research within the timelines specified below or sooner.

4.2 The timeline provided represents HMRC's minimum expectation. If appropriate, we welcome proposals that indicate how the timeline could be reduced while still allowing time to deliver to a high standard with robust quality assurance.

4.3 While the timetable below only reflects the dates for wave 1, it is likely that waves 2 and 3 would follow similar timings.

Activity	Date
Set-up meeting	w/c 6 th May 2024
Questionnaire development and testing (including cognitive and pilot interviews)	May – September 2024
Mainstage quantitative fieldwork	October – December 2024
Interim quantitative findings workshop/presentation with HMRC (this should cover headline findings based on interim data).	November 2024
Qualitative fieldwork	January – February 2025
Summary pack of quantitative findings	February 2025
Qualitative analysis	February – April 2025
Workshop to discuss interim qualitative results	End February 2025
Deliver transcripts	March 2025
An overall experience presentation to cover the final results for all core survey areas.	April 2025
Approximately five internal findings presentations	April 2025
Draft report, including technical appendix	April 2025
HMRC to quality assure the report	April – May 2025
Final outputs signed off. Wave close	April – May 2025
Initial discussion of Wave 2 development	May 2025

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- 4.4 The successful Supplier will be expected to attend a set-up meeting in the week commencing 6th May 2024.
- 4.5 In their proposal, the Tenderer must include a project plan and time schedule for the first year that delivers to the timetable set out above. This should identify the main tasks and key milestones that will be used to monitor progress, detailing clearly where HMRC is expected to contribute. This should be accompanied by a high-level overview of the timings for the second and third waves.
- 4.6 Tenderers can suggest an alternative timetable in addition to that provided above, providing it is accompanied by a clear justification.
- 4.7 The final timetable will be agreed with HMRC following award of the tender. The final timetable is likely to be subject to minor changes following award of the contract.
- 4.8 In their cost proposal, tenderers shall provide costs for undertaking the three waves of the survey based on the survey being fully telephone. Tenderers should also indicate where costs may change in the second and third waves as a result of reduced set up costs or the increased use of the online survey mode.
- 4.9 All stages of the project must be completed by June 2027. Tenderers must demonstrate that they can meet this deadline.

There will likely be a general election in 2024, however, the date is unknown, and the pre-election period could overlap with the fieldwork period for this research. It's not currently clear whether this project would be impacted by pre-election restrictions therefore the Supplier needs to include the potential pause in fieldwork in the risk register and consider mitigations.

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