

## **Understanding the Customer**

## **Research brief**

**Tax Credits Campaign Tracking Research 2016 -17**

**April 2016**

Background to this research

Tax credits are administered by HM Revenue & Customs and were designed to provide financial incentives to work and to help children in low income families. There are two types of tax credits – Working Tax Credit and Child Tax Credit. Claimants can qualify for either or both, depending on their circumstances. The amount each household will receive will be different as it’s based on their income and their individual circumstances. The flexibility of the system means tax credits change in response to changes in household circumstances. Tax credits operate on an annual basis and awards are paid provisionally, based on the income from the previous tax year and estimated future income and the most recently reported circumstances. As tax credits awards are based on estimated household income and known circumstances they need to be finalised and in some cases renewed at the beginning of each financial year. The yearly tax credits finalisation and renewal deadline is 31 July. Tax credits are usually paid every four weeks.

**Child Tax Credit**: provides support to families and/or individuals who are responsible for a child/ children. Child Tax Credit can be claimed for each child from birth up until they are 16 or from birth up until they are 20, providing the 16 to 20 year old is in approved education or training. Families or individuals with children can claim regardless of whether they work or not. Only one household can get Child Tax Credit for a child. From April 2017, Child Tax Credit will be limited to two children only.

**Working Tax Credit**: is for working people on a low income, regardless of whether they are an employee or self-employed, or if they have children. Claimants must work 16 hours a week or more and must get paid for the work they do (or expect to):

* those aged 16 to 24 must work at least 16 hours
* those aged 25 to 59 must work at least 30 hours
* those aged 60 or over must work at least 60 hours
* those who are disabled must work at least 16 hours
* a single parent with one or more children must work at least 16 hours
* a couple with one or more children (usually) must work at least 24 hours between them (with one individual working at least 16 hours)

Tax Credits claimants are asked to notify HMRC if any of their circumstances change. If their annual income before tax (gross pay) increases by more than £2,500 it is mandatory to tell HMRC immediately. HMRC is particularly keen to encourage claimants to notify income changes as soon as possible, in order to avoid them finishing the year with an overpayment. This often occurs when a claimant has not declared an increase in their income and so is paid more money than they are entitled to. Eventually they will have to pay back the total of the overpayment, usually through a reduction in the amount of Tax Credits they receive. The main changes in circumstances which occur most frequently and which would result in an over payment are changes to income and working hours and previously undeclared partners.

In 2016, the creative will remain broadly the same as 2015 with a continued focus to renew online. However there is a requirement to **double the number of claimants renewing online from 27%** (in 2015) **to at least 50%** (in 2016).

Paid for media channels in 2016 will include:

* **AV** (Audio Visual) to include DRTV, Adsmart, TV, YouTube and Broadcast **VOD** (Video on Demand)
* **Radio** to include Broadcast radio and Digital audio
* **Social Media** to includeTwitter video,Facebook video and Facebook link ads
* **Digital Display** to include Sky AdVance, Targeted display and Mobile specific
* **PPC** (Pay Per Click) to include Google and Bing

**2016 Campaign Activity**

The next main burst of Tax Credits advertising will be the Renewals campaign activity which will run from **20th June – 31st July 2016.** The communications objectives of the marketing campaign are to encourage:

* At least 82% of claimants to renew before the July 31st deadline (in 2016)
* At least 50% of claimants to renew online (in 2016)

We also have a further objective linked to smoothing the peak:

* To contribute towards the reduction of low-value calls to HMRC contact centres from renewal customers.

There is also an overall objective for the campaign:

* Continue to perform above the industry norms for campaign tracking research

The communications approach will be tiered into two tasks:

1. **PERSUADE** claimants of the benefits of renewing online using a mix of AV, Radio (20th June to 15th July only) and Social Media (Twitter video and Facebook video)
2. **PROMPT** claimants to renew online via a mix of Radio (18th to 31st July only) and Social Media (Facebook link ads), Digital Display and PPC.

Paid-for media used in this burst will be TV, VOD, radio, social media, digital display and PPC. This will be backed up by organic social media, proactive press office activity and partnership marketing. This will be a national campaign.

Research has been undertaken to track previous Tax Credits campaigns. Historically there have been two waves (pre and post) of research per year:

* Pre wave Renewals tracking – to provide a baseline prior to the campaign starting
* Post wave Renewals tracking – to understand the effectiveness of the campaign after it has finished

Our research needs

The purpose of this research is to measure the effectiveness of the June – July 2016 Renewals advertising campaign amongst current Tax Credits claimants. The research should evaluate the following:

* Awareness of the campaign
* Comprehension of key messages
* Online renewals - what encouraged them to renew online
* Call to action – have they understood the need to renew online and have they renewed their claim

Proposed Methodology

The work **will need to be comparable to previous waves.**

**Method**

Quantitative in-home interviews across the UK (to be nationally representative) are required.

Please provide costs for playing the radio, TV, VOD and digital ads to respondents.

We will send the TV, VOD, radio ads, social media videos, Facebook link ads, digital ads in a format that is compatible for you.

In 2016, for Radio and TV/VOD– there are 4 general ads and then 4 deadline ads (these run in the last week or so of the campaign). The only difference with the deadline ads is that they reference the deadline.

For Digital – there are 3 ads.

This can be discussed in further detail on formal commissioning as you may already have these from 2015 but it will be important to double check.

Please cost for photocopying visual stimulus from the original screen grabs for the social media and digital display.

**Sample for Renewals activity**

The sample should be free-found and consist of men and women aged 16 and over who are currently claiming Child Tax Credit. The universe of UK households who claimed Tax Credits in 2015 was 4.6M. Claimants on household incomes below £16,010 may also be claiming Working Tax Credit.

The sample should be split evenly into three household income bands:

* £0 - £9,999 = 55%
* £10,000 – £19,999 = 28%
* £20,000+ = 17%

Please note: for tracking purposes, up until 2014 the sample was originally split into the household income bands below but an analysis of real time tax credits renewal data showed that the household income breakdown had changed:

* £0 - £9,999 = 23%
* £10,000 – £19,999 = 34%
* £20,000 - £26,000 = 32%
* £26,001 – £32,200 = 12%

The sample should be representative of UK regions in terms of households with children under 16. All respondents should have at least one child under 16 (or aged 16-20 if in full-time approved education or training).

The survey should have a quota to achieve 38% lone parents within the sample.

An approximate split of gender to be male 30% and female 70% (this is soft quota and there has been a 3-5% variance per wave previously).

Please provide costs for conducting 300 interviews per wave.

**Questionnaire**

For the UK-wide Renewals, please provide costs on the basis of a 15 minute questionnaire pre-wave and a 20 minute questionnaire post-wave. The questionnaire will be based on the questionnaire used in previous waves but please allow for tweaks to questions based on the use of an increase in digital media channels and any amends to statements used. Please provide costs on the basis of three open-ended questions in the pre-wave questionnaire and for a maximum of five open-ended questions in the post-wave.

**Approach**

We propose the below approach to this research, however we will also consider alternative methodologies that will meet the research objectives. Please provide costs for conducting the below research programme and also provide a separate cost for any alternative approaches that you consider appropriate.

|  |  |
| --- | --- |
| Wave 1 fieldworkmust be completed before 20th June 2016. | **Pre-wave for:*** Renewals - UK-wide nationally representative sample of 300 Tax Credits claimants per wave. 15 minute questionnaire.
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| Campaign runs | **20th June 2015 – 31 July 2015** |
| Wave 2 fieldwork1st August 2016 | **Post wave for**:* Renewals - UK-wide nationally representative sample of 300 Tax Credits claimants per wave. 20 minute questionnaire.
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Other issues that may have an impact on this project

The pre-wave dates are likely to fall during the Purdah period for the local elections but in ‘Our Project Timeline’ we have deliberately avoided any fieldwork during this period.

**Purdah dates in 2016:**

* Scotland: from 24th March until 5th May
* Northern Ireland: from 29th March until 5th May
* Wales: from 6th April until 5th May
* Local councils in England: from 14th April until 5th May
* EU referendum, UK wide: May 27th to June 23rd

Currently, the Tax Credits campaign is due to begin on 20th June 2016 but this falls during the EU referendum purdah period so the start of the campaign may need to be postponed until June 24th.

This is important because one area of contention within the package of changes to the UK's membership of the EU is: ***Migrant welfare payments****- The UK can decide to limit in-work benefits for EU migrants during their first four years in the UK. This so-called "emergency brake" can be applied in the event of "exceptional" levels of migration, but must be released within seven years - without exception.*

Currently we are actively seeking clearance from the Government Social Research (GSR) Head of Profession to carry on during the Purdah period and we will keep you updated of progress.

Our project timeline

The timings given below are an estimate for the **Pre-wave:**

It looks likefieldwork and /orreporting may need to be quicker or we will run in to the Post-wave set-up.

|  |  |
| --- | --- |
| Final Research Brief issued | Monday 11th April |
| Proposal received from GfK UK Ltd. | Monday 18th April |
| Briefing meeting | Thursday 21st April |
| Materials development & approval (e.g. revise survey questionnaire) | WC 25th April |
| Scripting questionnaire | \*WC 2nd May |
| Fieldwork  | WC 9th May to WC 13th June |
| Analysis  | WC 20th June |
| Draft Final Report  | WC 27th June |
| Full Final Report  | WC 4th July |
| Draft Publication Report | WC 11th July |
| Final Publication Report | WC 18th July  |

\*Monday 2nd May – Bank Holiday

\*Monday 30th May – Bank Holiday

What we need from you – The Deliverables

**The Proposal**

The **proposal** submitted should include:

* Understanding of the research brief
* Timetable
* Personnel, including background and experience
* Whether any part of the project will be subcontracted, and if so to whom

# The proposal should specify who will be responsible for delivering this project and should provide detail of the input into the project that will be provided by each named person.

Please let us know on receipt of this brief whether you think there will be any conflict of interest in your submitting a proposal.

The period for this programme of research would run from April 2016 to October 2016.

For **both the pre and post waves,** the following deliverables will be required (unless otherwise stated):

* Data tables in PDF and Excel (all open-ended responses to be included). This should include all cases, all variables, including analysis variables such as crossbreaks, clear labelling, correct bases and all coded responses incorporated.
* A face to face, kick-off meeting with the agency and main stakeholders before the project begins
* Regular updates (frequency to be determined at the kick-off meeting) to the HMRC project team throughout the life of the project
* \*One face to face presentation to the internal project team and wider HMRC stakeholder group. (\*Assume HM Revenue and Customs Offices at 100 Parliament Street, Westminster, unless otherwise indicated.) **POST WAVE ONLY**
* A full written report in Power Point or other format to be approved in advance, documenting all analysis, findings and insights in an engaging manner and with clear recommendations for further action (approx. 40-80 pages), to include a standalone five-eight page executive summary of the research incorporating the key findings and any insights, which can be circulated to stakeholders.
* A one page standalone summary of the research including key findings and any insights which can be circulated to stakeholders and published on our internal Customer Zone.
* In addition, as part of our publication process, we require a publishable version of the research findings to feature on GOV.UK. This report will need to include all the key findings of the research, and should be reasonably short (approx. eight to ten pages in Word). A standard template and guidance will be provided.
* HMRC will require draft copies of all key documents, such as draft questionnaire, topline, presentation charts and summary report. These are to be submitted in sufficient time for comments to be incorporated into the final version and for our approval to be given for production of the final version to take place.

**Budget**

The budget is fixed at no more than £30,000 for the pre wave and £38,000 for the post wave. Please provide a cost for the project design set out below and set out alternatives if you feel these would better meet the research objectives.

Costs must include travel and other expenses, broken down separately. Costs should include all fees and expenses but exclude VAT.

Circulation:

|  |  |
| --- | --- |
| **Name** | **Title** |
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General Terms and conditions

On receipt of a satisfactory proposal, the successful research agency will be awarded a fixed price contract for the project. The Standard Conditions of Contract governing research commissions are laid down by the MR130001 framework agreement and are not negotiable. HMRC observes the general practice of paying only for work satisfactorily completed. All work should comply with the Code of Conduct of the Market Research Society. The Standard Conditions of Contract are available on request.

Payment terms have been negotiated to split as follows on most projects (however there will always be exceptions – which we will do our best to cater for)

30% on commission

30% on fieldwork commencement

40% on completion

When costing proposals it would be helpful to ensure we can see these key stages clearly.

Some key elements of our standard terms are below:

Contractual obligations

As a result of government policy to achieve greater transparency in public procurement and help deliver improved value for money, HMRC is obliged to publish tender documents for all contracts with a whole life value of over £10,000. There is a further obligation to publish all contracts with a whole life value of over £10,000 with effect from January 2011. It is a condition of bidding for this work that applicants accept these obligations and agree to the subsequent publication of the contract once awarded.

Data handling

In most cases, any data we supply will be encrypted, probably using the highest encryption used by WinZip v9 or above. It is your responsibility to ensure appropriate steps are taken to ensure you are able to receive and decrypt our data.

We also require confirmation at appropriate times of the deletion of customer records from both removable and fixed media within your organisation.

Please note that HMRC does not permit the use of USB sticks and so all electronic versions should be provided on CD.

Once appointed, you should agree with your HMRC contact what security rating any data or documentation you produce should have and how it subsequently should be handled.

As part of our standard data handling requirements, as part of your proposal we will require details of your plan to receive, store and use any data that we may supply to you. In most cases the data we supply to you will contain customers’ personal details and we need to be sure that you will treat this data appropriately.

This should include precise details of the data handling and security procedures you have in place. In particular, please detail how, once we have delivered the data to you, how you will transfer and store it and who in your organisation will be able to access it. You should also detail your processes for archival of and/or destroying the data that has been finished with. As an example this should include, what systems you have that are accessible from the internet, how access to the information is managed, and details of how your data servers are backed-up and maintained.

If you have supplied current information, this does not need to be provided again.

Documentation

HMRC will require the publishable report delivered in both pdf and word formats. The pdf document should include the file size as part of the filename.

In addition, HMRC will require draft copies of all key documents, such as recruitment questionnaires, presentation charts, top lines and final reports. These are to be submitted in sufficient time for comments to be incorporated into the final version and for our approval to be given for production of the final version to take place.

*NB ‘Personal’, ‘Confidential’ and ‘Commercial’ sensitive information has been redacted according to the provisions in the FOI Act (sections 40, 41 & 42).*