

HMRC Innovation Challenge builds an inclusive innovation culture

HMRC, Capgemini, and Microsoft collaborate to unlock frontline insight through the department's first crowd-sourced Innovation Challenge

Client: HM Revenue & Customs (HMRC)

Region: United Kingdom

Industry: Public sector

Client challenge:

HMRC wanted an inclusive way for colleagues across the department to share ideas that could solve real business challenges and address everyday operational problems to support its strategic priorities.

Solution:

HMRC worked with Capgemini and Microsoft to launch a crowd-sourced innovation competition, supported by Qmarkets and expert mentoring, to help colleagues share and develop ideas with the potential to improve services.

Benefits:

- Enabled wide participation and engagement in innovation
- Connected frontline insights to strategic priorities
- Developed innovation skills and confidence across the workforce
- Built a repeatable route for progressing ideas from submission to potential implementation



Creating a culture where innovation provides opportunity

HM Revenue & Customs (HMRC) plays a critical role in supporting public services by collecting tax, managing customs, and delivering services to millions of UK citizens. As customer expectations rise, HMRC continues to transform how it works, serves the public, and unlocks ideas from the people closest to those services.

The department recognized that lasting improvement depends not only on technology enhancements or policy changes, but also on creating an inclusive culture where people can help shape change. Many of the strongest ideas for improving services, systems, and customer experience could come from colleagues with first-hand experience of everyday operational challenges. HMRC therefore wanted a clear, inclusive way to hear those ideas and turn practical insight into action.

Inspired by an internal technology competition run by Capgemini, HMRC decided to turn its ambition for inclusive innovation into a practical, repeatable process. Run in partnership with Capgemini and Microsoft, the Innovation Challenge encouraged people across the department to think creatively, build on each other's suggestions, and form teams around the most promising concepts.

HMRC expertise, strengthened through collaboration

Drawing on its Accelerated Solutions Environment (ASE) capability, crowd innovation experience, and proven collaborative challenge approach, Capgemini helped HMRC shape and run the end-to-end challenge model. The delivery was underpinned by the Qmarkets platform, with Microsoft helping to strengthen engagement and provide mentoring support.

The program offered a transparent, systematic, and collaborative way for colleagues to submit, discuss, and vote for ideas. Following a pre-launch phase, nearly 300 ideas were submitted over a four-week ideation period. The ideas focused strongly on improving efficiency, reducing risk and delivering better customer outcomes, aligning with HMRC's priorities to close the tax gap, improve customer experience, and deliver more effective ways of working.

Ideas were developed collaboratively, with colleagues from across HMRC commenting, challenging, and building on each other's thinking. Submissions were then reviewed by a team of expert evaluators from HMRC, Capgemini, and Microsoft, against clear criteria around desirability, feasibility, viability, and inclusivity.

Thirteen ideas were shortlisted before colleague voting narrowed the field to five finalist teams. They then entered an eight-week boost phase, where HMRC, Capgemini, and Microsoft experts — including UX designers, developers, data and technology specialists, and industry experts — helped the teams explore user needs, technical feasibility, and develop their pitches.

The initiative concluded in a final showcase event, which was broadcast live to audiences across HMRC. Finalists pitched to a panel of HMRC executives, presenting concepts that ranged from technology-enabled solutions, including the potential use of AI, to policy, process, and operational improvements.

This breadth of thinking demonstrated the value of the competition, with the panel choosing a winning idea, alongside a People's Choice winner chosen by colleagues, to be taken forward for further development.

A collaborative, end to end innovation journey

"Absolutely go for it. You'll learn fast, meet people you'd never normally access, and get your idea in front of decision-makers."

— Innovation Challenge 25 finalist

This initiative has demonstrated the power of crowd-based innovation to generate strong ideas through collaboration, constructive challenge, and expert support. Concepts evolved significantly over the process, becoming more developed and better tested than when they were first submitted.

The Innovation Challenge strengthened community and shared purpose across the department, bringing colleagues together around common challenges and priorities. It also showed how practical insight from across the department can be translated into outcomes for HMRC, making innovation more visible and accessible.

By drawing on the experience of people closest to the work, HMRC has created a stronger foundation for organizational creativity and meaningful change. With a visible path from idea to action, the initiative has helped build confidence, develop new skills, and contribute to a more open innovation culture.

Key Metrics (at a glance)

- **60,000 staff invited to take part**
- **300 ideas submitted**
- **800+ voters**
- **50 expert evaluators**
- **2 winning ideas**

"Change is possible from any level. If you've got an idea, put it forward. This is the place where someone will listen."

— Innovation Challenge 25 finalist



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