



Treasury Minutes on the Fifty-third Report from the Committee of Public Accounts 2005-2006

53rd Report DWP: Delivering effective services through call centres

**Presented to Parliament by the Financial Secretary to the
Treasury by Command of Her Majesty
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Fifty-third Report

Department for Work and Pensions

Delivering effective services through contact centres

1. The Department for Work and Pensions (the Department) welcomes this report by the Public Accounts Committee in which it examined 62 contact centres operated by the Department within Jobcentre Plus, The Pension Service and the Disability and Carers Service - answering more than 33 million incoming calls, 7 million outgoing calls, as well as 300,000 e-mails, 300,000 faxes and 4 million letters.

PAC conclusion (i): The performance of the Department's contact centres was poor in 2004-05 and should not be allowed to deteriorate to that level again. In 2004-05, millions of calls were not answered promptly and over 20 million went unanswered. It is not yet clear whether improvements made in the last year will be sustained. The Department should extend to all (not just some) parts of the organisation demand forecasting tools, training staff in their use and sharing better good practice in the management of workflow between centres.

2. The Department acknowledges that its performance two years ago needed to improve, especially the performance of one contact centre for customers claiming Disability Living Allowance (DLA) and Attendance Allowance (AA), the DLA / AA helpline. During this two year period, vast improvements have been made to this service by increasing the number of telephone lines and training more staff to handle calls at busy times. Sustained improvements have been made since April 2005. In the first six months of 2006-07, the helpline received over 3 million calls, less than 1 per cent of which received the engaged tone.

3. The DLA / AA helpline has now been externally re-accredited by the Customer Contact Association (CCA) and the scale of the turnaround in its performance was further recognised in November 2006 when it was awarded the *Gus O'Donnell Award for Outstanding Performance* in the first ever *National Civil Service Awards*. Overall, the Department's contact centres received over 25 million phone calls in the first seven months of 2006-07, just 0.2 per cent of which received the engaged tone.

4. The Department agrees that extending the use of demand forecasting tools will help sustain improvements by assisting management to match staff resource to calls. These tools build on existing methods and will be fully implemented and supported by trained staff and a technology upgrade by February 2008.

5. The Department has introduced arrangements to share good practice across the contact centre network. These have been extended to include closer working arrangements with other Government Departments, in particular HM Revenue and Customs. The Department has now also joined the industry-wide *Professional Planning Forum* giving it access to best practice in the private sector.

PAC conclusion (ii): Implementation of the Customer Management System within Jobcentre Plus in 2005 was seriously flawed. Holding customer information in one place is a good idea, but the Department (and Government more widely) should learn from the troubled rollout of the system, which at times badly affected service to the public. In particular, it should not introduce systems which are not fully tested and without enough suitable staff being available and properly trained to use the system.

6. The Department accepts this conclusion. It has now introduced a Change Lifecycle¹ process to ensure a level of consistency in the delivery of systems across the Department. This provides projects and programmes with standard products and processes, as well as guidance and examples of best practice, and specifically includes a suite of products relating to the testing of a solution.

7. The Department also has a Gated Review² process, which provides assurances about such things as testing and whether systems are ready to be implemented in a live environment. The decision to introduce systems is made by balancing business benefits against the potential impact of any known system faults.

8. Using the Change Lifecycle and Gated Review process, The Pension Service has introduced its new Customer Account Management system, in support of its Transformation Programme. This has been delivered on a phased basis and, in preparation, comprehensive training has been introduced to focus on customer service, technical and call skills. Feedback from customers about the new system has been very positive.

9. The Department will continue to use the Change Lifecycle and Gated Review process to make sure systems are fit for purpose. The Department has learned lessons from the introduction of the Customer Management System within Jobcentre Plus and will build on good practice to make sure that staff are trained to deliver the best possible service to customers.

PAC conclusion (iii): For some of the Department's customers, such as the frail elderly and some disabled people, the telephone is not always appropriate. The Department should examine whether alternative face-to-face services could be provided, where necessary, for some disabled customers, as The Pension Service does for its customers.

10. The Department recognises the importance of making its services accessible to all of its customers. Jobcentre Plus and The Pensions Service undertake visits to their disabled customers, on behalf of the Disability and Carers Service. In the last year alone, The Pensions Service undertook over 37,000 visits to their disabled customers, while Jobcentre Plus is estimated to have made a further 17,000 visits.

11. The Department is introducing more face-to-face services for disabled customers. For example, local information points providing face-to-face guidance and information for all customers of the Disability and Carers Service will be rolled out from early in 2007.

¹ The Change Lifecycle is the process that DWP programmes and projects adopt to deliver change into the Department.

² The Gated Review process is part of the Change Lifecycle and is a series of meetings, during the lifecycle of a programme or project, where senior stakeholders decide, using available evidence, whether a programme or project should continue to the next stage.

12. A pilot between the Midlands Disability Benefits Centre, and The Pension Service, is testing whether more visits to customers of the Disability and Carers Service can be made. If successful, new arrangements could be fully implemented during 2007/08. The Department is also investigating how some services to disabled customers can be made available through local voluntary organisations. The Department will continue to look at ways in which its services can be made more accessible.

PAC conclusion (iv): Contact centres appear to be helping the Department make efficiency savings, but poor quality data makes it impossible to quantify the savings made so far. The use of contact centres has almost certainly led to savings in staff and accommodation costs, but the extent is unknown since the Department does not have sufficiently robust data. We expect to see evidence of improvements in the Department's collection of accurate activity unit costs, for example to include increased disaggregation of elements such as IT and accommodation to site level to permit greater transparency and cross-agency comparisons, and increase incentives to make efficiency savings.

13. The Department recognises that there is a need to improve its financial capability and has embarked upon a programme of Finance Transformation. As part of this transformation, the Department is implementing a new Resource Management System.

14. The Resource Management System is an IT system that promotes good practice in resource management processes. The system will provide better management information, which can lead to more robust decision-making. The Resource Management System will also improve consistency and eliminate duplication by using a common set of rules and integrating administrative work across the Department.

15. An important part of this system is the Activity Based Management function. This will provide greater financial visibility and a breakdown of unit costs related to key activities that will help managers compare performance and identify areas for improvement. Implementation of the Resource Management System is planned to be complete by April 2007. This will be followed by a period during which the full management information benefits of the system will be incrementally realised.

PAC conclusion (v): The Department has developed a balanced scorecard tool of contact centre performance information, but it needs to be further developed to measure performance for the whole process of handling customers, rather than just parts of it. For example, Jobcentre Plus should monitor not only the length of time from initial call to callback, but also the time to first interview, and then payment of benefit. All centre managers should use the balanced scorecard to manage the performance of their centre.

16. The Department is pleased that the PAC recognises the value of the contact centre balanced scorecard, which is used by contact centre managers to review common performance issues and share good practice. The Department considers the scorecard to be an active tool that should evolve with the business and is exploring how the end-to-end process for handling customers can be measured and reflected.

17. The Department uses existing performance measurement tools to inform the contact centre balanced scorecard. For example, The Pension Service uses a balanced scorecard to manage its centres. This scorecard underpins key work objectives and managers use the results to support service delivery improvements. The scorecard also informs business planning and decision-making. Measures are revised and enhanced to reflect ongoing business changes as necessary.

18. The Department has adopted good practice from public and private sector contact centres and has developed an operational level performance management framework, which will be extended to all of its contact centres. The framework features a series of scorecards that can be used by managers and staff within each centre. Implementation plans are being developed to introduce arrangements as soon as possible.

PAC conclusion (vi): People ringing contact centres are often not aware of how much the call will cost them. By closing down local offices and requiring people to use call centres, the Department is transferring some of the time and money costs to the customer. The Department should advise customers what costs they will incur, and call centre operators should assess whether customers are 'emergency' cases as part of the routine conversation and offer to call back those who cannot meet call costs.

19. The Department agrees that cost should not provide an unacceptable barrier to its services. The Department believes that most customers welcome the convenience that contact centres offer and that for many it is a cheaper and more satisfactory option than visiting a local office.

20. It is difficult to give a single figure in leaflets and publicity material for the cost of contacting the Department's centres because of the wide variety of network providers and the variety of contracts customers may have with them. However, the Department is constantly looking for ways to make its services more accessible and it has recently reviewed the New and Repeat Claims process within Jobcentre Plus. As a result, an 0800 number is being introduced for new and repeat benefit customers. This will be available to the majority of Jobcentre Plus customers by May 2007, in line with the rollout of Jobcentre Plus. This builds on existing 0800 services such as the Benefit Enquiry Line and the Pension Credit Application Line.

21. The Department is looking at ways of extending 0800 numbers to other services. For example, The Pension Service is reviewing their telephone numbers to reduce three high volume call lines into one number. As part of that review, the cost implications and the merits of free-phone numbers over local call rates will be considered.

22. The Department is committed to making its services accessible to all customers. Where 0800 numbers are not applicable, local call rates normally apply. Overseas customers for The Pension Service, however, are charged at the standard rate from the country from which they are calling because overseas customers cannot access UK 0800 / low rate numbers through international technology. More generally the Department will always offer to call customers back if the customer indicates that they are concerned about the cost.

PAC conclusion (vii): Failure to call back customers promptly can lead to delays in benefit payments and to financial hardship and distress. Jobcentre Plus arranges to ring customers back to take details for claims for Jobseeker's Allowance and Income Support. Lengthy delays in returning calls can affect customers badly and lead to increased levels of Social Fund Crisis Loans. Jobcentre Plus should reprioritise sufficient of its resources to meet consistently its target of 90% of call-backs within 24 hours.

23. The Department accepts the PAC conclusion and recognises the impact delays can have on customers. The Department has taken steps to address this. Jobcentre Plus is introducing a single call process for the majority of benefit customers from May 2007. Customers will access the service using an 0800 number and wherever possible have their application dealt with in one call, without the need for a call back. In addition, customers who have made a claim to a Jobcentre Plus benefit in the preceding 12 weeks will be fast-tracked through the claim taking process.

PAC conclusion (viii): Some staff have flexible working arrangements which do not always meet the needs of managing a customer focused contact centre. Although family friendly employment policies are important, it is still essential that staff contracts meet the needs of the business. The Department should improve the match between staff core hours and peaks of demand in the contact centres by steadily reducing the proportion of contracts that do not fit business needs and encourage staff to agree revised contracts.

24. The Department welcomes the PAC's recognition of the importance attached to family friendly employment policies. It also agrees that these arrangements must be balanced against the needs of the Department in managing its contact centres.

25. The Department's Working Hours Policy has been developed so that managers can specify the working patterns of new staff. This means that there can be a better match between the number of customer calls and staff available to provide a consistent service.

26. The National Audit Office identified that flexible working arrangements do not always fit well with contact centre working. In line with this, some 90 per cent of Disability and Carers Service staff are now on fixed working patterns that are better suited to contact centre working. Operational flexibility is provided through benefit processing staff, who can deal with calls at busy times. The movement of Jobcentre Plus to a virtual network will also mean that all agents are treated as a single resource pool. This will provide more flexibility to match requested working patterns with customer demand.

PAC conclusion (ix): Having 55 telephone numbers, including 11 for pensioners, is confusing and makes it harder to market the Department's services. The Department should reduce the number of telephone numbers used by customers. Jobcentre Plus Direct should implement a single national number, and The Pension Service should aim to reduce the number of telephone numbers for pensioners by a third.

27. The Department agrees with the PAC that the number of different telephone numbers for pensioners and those calling Jobcentre Plus Direct should be reduced. The Pension Service are developing plans to integrate its three highest volume lines into one number during 2008. This will contribute to a longer-term strategy, which will further reduce numbers as technology develops during the SR2007 spending review period.

28. In addition, The Pension Service is seeking to extend the opportunities to be able to deal with the complete needs of its customers in a single call. For example, since December 2005, new Pension Credit Customers have been able to call one number and gain access to three key benefits: Pension Credit, Housing Benefit and Council Tax Benefit. Since July 2006, The Pension Service has also started to offer customers the opportunity to claim both Pension Credit and State Pension and Housing Benefit and Council Tax Benefit in one call. This is expected to be extended nationally by April 2007.

29. The current volume of 0845 numbers in Jobcentre Plus contact centres is due to the geographical nature of Jobcentre Plus rollout. Now that this is almost complete, Jobcentre Plus plans to introduce a single 0800 number for all customers making a new or repeat claim to benefit. The number will replace the existing range of 0845 numbers between February and May 2007. To ensure consistency of service, there will be two additional 0800 numbers for Welsh speakers and customers requiring text phone services.



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