House of Commons
Work and Pensions Committee

The Efficiency Savings Programme in Jobcentre Plus

Second Report of Session 2005–06

Volume II
Oral and written evidence

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The Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

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Witnesses

Wednesday 18 January 2006

Ms Kate Green, Chief Executive, Child Poverty Action Group, Ms Vicky Pearlman, Social Policy Officer, Citizens Advice, Ms Kate Bell, Policy and Research Officer, One Parent Families and Mr Richard Excell, Policy Officer, TUC.

Mr Graham Hoyle, Chief Executive, Association of Learning Providers, Mr Dave Simmonds, Director, Centre for Economic and Social Inclusion, Mr Chris Malvin, Employment Related Services Association and Mr Stephen Bubb, Association of Chief Executives of Voluntary Organisations.

Wednesday 25 January 2006

Mr Mark Serwotka, General Secretary of the Public and Commercial Services Union (PCS), Ms Jane Aitchison, PCS DWP Group President and Mr Keith Wylie, PCS DWP Group Secretary.

Rt Hon Margaret Hodge MP, Minister of State, Department for Work and Pensions and Ms Lesley Strathie, Chief Executive, Jobcentre Plus.
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Oral evidence

Taken before the Work and Pensions Committee

on Wednesday 18 January 2006

Members present:

Mr Terry Rooney, in the Chair

Miss Anne Begg

Harry Cohen

Mr Philip Dunne

Natascha Engel

Michael Jabez Foster

Justine Greening

Mrs Joan Humble

Greg Mullholland

John Penrose

Jenny Willott

Witnesses: Ms Kate Green, Chief Executive, Child Poverty Action Group, Ms Vicky Pearlman, Social Policy Officer, Citizens Advice, Ms Kate Bell, Policy and Research Officer, One Parent Families, and Mr Richard Exell, Policy Officer, TUC, gave evidence.

Q1 Chairman: Good morning everybody, and thank you to our four witnesses for being here today. What impact do you think the different aspects of the efficiency savings programme are having on Jobcentre Plus performance, and do you think they have got an adequate strategy to deliver those efficiency savings and, if not, what do you think is missing?

Ms Green: We seem to have one very important strategy, which is obviously about reducing staff numbers, and to do that coupled with centralising both the processing of benefits but also with the processing, if you like, or streamlining of the collection of initial information from the claimants. I do not think that per se those strategies are necessarily wrong, but they may not be wholly sufficient, partly because, whilst they may be well addressed towards achieving some cost reductions, they are not necessarily as well addressed in terms of the service to particularly disadvantaged customers and their ability necessarily to access Jobcentre Plus services in that way. I think there is also a concern about having to make these jobs cuts against a backdrop of such a huge change programme, and I think many other institutions and other sectors, including many private sector organisations who have made these sorts of changes, would say that you have to make the major change programme first and only then can you start to think about realising savings, including any reductions in staff numbers.

Ms Bell: I think we also know that if you look at Jobcentre Plus’s own evidence, it is having a significant impact on their performance. If you just look at their job entry point targets, I think they have said they are about six entry points behind and we know they are behind on their lone parent performance as well. We also think it is having quite a significant impact on morale within Jobcentre Plus, and that is quite problematic.

Mr Exell: I think there are two levels of explanation that need to be taken into account here: one is the management lessons that have been learned, and Jobcentre Plus senior management are very up-front about admitting that there were problems with managing the introduction of CMS and that they have done their best to learn those lessons, got new work-rounds in place and so on, but there is beneath that the strategic problem of introducing major change and a large cut in staff at the same time, which I do not think any quality of management could get round.

Ms Pearlman: I think also the reorganisation of Jobcentre Plus and the local offices has made it very difficult for local bureaux in particular to keep track of what is happening, so when problems have arisen it has been almost impossible for bureaux in local areas to work out—the numbers that they used to have are not there any more—who should they contact, and so some of the early warning systems have been quite difficult to use.

Q2 Chairman: If I can ask Vicky, in that you are on the ground everywhere: what has the communication been like at that local level in CAB’s experience?

Ms Pearlman: At best it has been patchy. I think, right across the board geographically, bureaux have had a lot of difficulties trying to get hold of the right numbers, keeping track of the changes. In some areas, to be fair, that sort of local liaison has carried on, but that has mostly been as a result of those individual relationships between local managers and bureau managers, so there has not been any kind of consistent way of letting people know about the changes that are happening, and I think advisers have found themselves in the same position as their clients really. Clients have come to in ask what they should do next and bureaux are often as much in the dark as their clients.

Q3 Chairman: Do you think Jobcentre Plus is doing enough in terms of measuring and monitoring performance and changes during this period? You have pointed out the reduction in job entry. We know that because they are measuring, but are they doing enough of it?
Ms Green: I think they are doing a reasonable amount, and I would also pay tribute to the way in which management have responded to the data that they have looked at, so we have quickly seen action taken in response to the worrying trends on job entry and a recovery plan has been quickly put in place. Likewise, in response to what were really quite appalling call-answering statistics over the summer, we have seen quite quickly a management response which, over recent months, has begun to bring about significant improvement. I think that the information is quite high level. I am not able to say how effective it is for local managers to manage processes in their own offices, and I think too there are undoubtedly some important gaps in the data. CPAG would particularly, for example, highlight the fact that there is no data at all gathered on what happens to people, as it were, who just drop out of the system if they do not attend for interviews, and no benefit claim is pursued. Those may be some of the most vulnerable people of all, and that seems to us to be a significant data gap.

Mr Exell: One of our unemployed centres has reported to us that different parts of Jobcentre Plus do not seem to have the same information about the same client, so you can find, for instance, different offices having different addresses for a client. Plainly they are not all working from the same computer system all the time; so that can be an issue as well.

Q5 Jenny Willott: You referred to the people who cannot use the telephone or for whom it is not appropriate. Is there anything changing? Has it got any better for people in that situation or have you not seen any change?

Ms Pearlman: There have always in theory been alternatives in place for people who are not able to use the phone.

Q6 Jenny Willott: But in practice.

Ms Pearlman: In practice, we have reinforced the difficulties that people are having not being able to get hold of paper forms, for example, and there does not seem to be enough resource put in place for people who need face to face help, say who would go to the job centre and need to see somebody face to face, and so we continue to see evidence of people having those sorts of problems, despite reassurances that local staff are being reminded that it is still possible to fill in paper forms, clients are being turned away with them when they do fill them in and take them in.

Q7 Jenny Willott: That is still an area for improvement.

Ms Green: I think it is a real concern that Jobcentre Plus managers on the ground are positively working to a model of discouraging people from just walking in off the street, and that bears very hard on people perhaps with particularly patchy and chaotic lifestyles or people who are less well suited, for one reason or another, to stick to pre-arranged appointments or pre-arranged phone calls. So in one important respect I think I would say that in fact the direction of management is positively working against supporting those who need face to face advice.

Ms Pearlman: And that has been made more difficult because the call centre staff are supposed to be able to pick up clues quite early on from clients who might find the telephone difficult to use, and that is quite difficult to do over the phone because all you have got is somebody’s voice. Somebody might recognise that they are going to have difficulties and be able to explain that to you, but that is not always the case, whereas if somebody walks in the job...
centre you might be able to identify very quickly that perhaps they were agitated or upset and that they needed a little bit more support.

Q8 Chairman: Is there any evidence of any special provision being made for, say, people with disabilities, either sight or hearing impaired, for instance?

Ms Pearlman: There should be provision in every job centre.

Q9 Chairman: I understand there should be. My question is have you got any evidence that is actually happening?

Ms Pearlman: We generally see the evidence of it not happening rather than of it happening, but we know that in some cases they have relatively good arrangements, but it is just completely inconsistent.

Q10 Chairman: It is patchy.

Ms Pearlman: Yes.

Ms Green: We do understand that text-phone is widely available in the processing and contact centres, but it is not always used.

Q11 Jenny Willott: I think the problems over the summer have already been referred to when you were answering the Chairman’s question. In your experience how geographically widespread were they?

Ms Pearlman: Bureaux in all of the areas where CMS has been rolled out have all experienced problems to one degree or another. It is quite widely known that two particular regions, the eastern region and Sheffield, had particular problems and they were the first to identify real difficulties and, in fact, were put on contingency measures quite quickly, but I think there are eight centres that are still using some form of contingency measure—paper forms or something similar—and, although immediately the weight of the evidence that we had from bureaux came from those two regions, it has been widespread ever since.

Mr Exell: Our initial complaints came from our centres in Chesterfield, Hastings, Birmingham and Bolton. We have had complaints from there right from the start. More recently we have started receiving complaints from centres in Merseyside as well.

Q12 Jenny Willott: In what sort of time frame? Is that fairly recent?

Mr Exell: That is fairly recent, but other unemployed centres it was right from April.

Q13 Jenny Willott: How was your work load and the experience of your clients affected by that over the summer?

Ms Pearlman: The bureau’s work load has changed quite significantly in the areas where there are the most problems. As I said before, there were very few contingency measures in place from the start. If bureaux had been involved or if the voluntary sector more widely had been involved in some of the planning and the thinking, just being kept informed about how it would be rolled out, we would have felt much more confident about advising our clients. As it is, when people have not been able to get through on the phone or have not been able to use the phone, they have been pointed straight to the bureau or arrived of their own accord, and in this respect, I think, the efficiency programme has made it even more difficult for bureaux to resolve some of those problems. As I said, they have not been able to find the right contact details to resolve problems quickly. Clients have been coming to the bureau where perhaps they would have just gone straight to the job centre before, but they are being turned back for help with filling in forms and for help with using the telephone. The telephone is quite a good example, because if somebody cannot get through on the telephone at home or elsewhere, then they might well go to the bureau for help, but bureau advisers do not have a magic line to contact centres either and so they experience exactly the same problems in getting through to contact centres on behalf of clients, which ties up interview rooms and phones for hours or days at a time.

Q14 Jenny Willott: Quite a few of the pieces of evidence that we have received referred to the cost of calls and so on. Was that a noticeable problem over the summer for your clients as well?

Ms Pearlman: Yes, it continues to be. It is particularly marked for those clients who need to claim from the social fund crisis loans, because by nature these are people who do not have any money, so to make an expensive phone call or even to travel to a job centre or even to a local office is prohibitive for them.

Q15 Jenny Willott: One last question from me. Also mentioned in quite a few of the submissions was about bad advice and poor training of the staff and the effect that had. There were a couple of examples of people being given bad advice and not being able to back-date benefits that they had been entitled to but they were told not to apply for. Was that reasonably widespread or were they very isolated examples?

Ms Bell: We have certainly had examples of people, because of the way the questions are structured, being referred to the wrong benefit, for example. If you are a lone parent and they say, “Are you looking for work?”, they put you on jobseeker’s allowance rather than on income support, which would be the appropriate benefit, and I think we are still hearing some of those examples coming through.

Mr Exell: I asked our unemployed centres and PCS for advice about what was happening now when I knew I was coming along today, and just yesterday I had a report from our Chesterfield unemployed centre saying that one of their clients had lost two months’ benefit because they had wrongly been told that they could not apply for incapacity benefit, and the back-dating rules only allow for three months, and it was five months before they got in touch with the unemployed centre and found out they were entitled after all.
Q16 Jenny Willott: That is a fairly common occurrence?

Mr Exell: Again, we have been getting reports of this since April.

Ms Bell: The other bad piece of advice that people seem to be being given at the moment, even when there are delays, is that they cannot get interim payments, and people are also being told that they cannot apply for a crisis loan, and that is really problematic in the context of these delays because you are told you cannot get anything while you are waiting, and that is actually wrong.

Ms Pearlman: That is leaving people with no money at all.

Q17 Chairman: Is there still a problem with that first point of contact in terms of date of claim? Generally speaking, can people get through on the day they ring, or are they still having to wait two or three days before they can get through?

Ms Bell: We have had a few problems. Just after Christmas we suddenly had a lot of calls with people saying, “I cannot get through to claim income support”, and that was in the kind of immediate post-Christmas period.

Ms Pearlman: I think it would be fair to say that the situation is improving in terms of getting through, but we still receive reports from bureaux of people having to spend hours if not a day or two trying repeatedly to get through.

Q18 Justine Greening: I just wanted almost to try and pull together what you have been saying, because it is quite interesting. Many companies and industries will move to a contact centre approach to save money, frankly. They may say that it is partly about quality and they may be able to measure quality better because it is in fewer places, but there is no doubt that one of the advantages has been to save money. What interests me is it seems to me that we have moved to a contact centre approach which could have been used to improve quality and to make sure that there was absolutely no chance of people being told that they cannot get a crisis loan when in fact they could and should. What concerns me is that there was an ability then to perhaps reinvest some of those savings in Jobcentre Plus so that the people who really had to use Jobcentre Plus would get a much better quality service than they had before; but it seems from what you are saying that, rather than reinvesting, in fact more capability has been taken out of Jobcentre Plus so that the management there is starting to say, “No, you have to use the contact centre”, and it is not an extra at all, it is, as you say, just an only, so it is a sort of missed opportunity to have reinvested some efficiency savings when in fact they have just been taken out of the system entirely. Is that fair to say or not?

Ms Green: I think we have to remember that we are still in the middle of a process of change and that certainly Jobcentre Plus have, for example, said that one of the ways in which the staff configuration will change is to put more expertise and more numbers in the front-line in terms of the numbers of personal advisers. I think in terms of the potential to redeploy and improve service, that remains a part of the picture but a part of the picture that has not yet fully delivered, and I think we would be keen to understand better the full plans for getting to that point. In the meantime, I would just reiterate that I think that any of the sort of institutions you have talked about—for example the financial services sector and the telecom sector, who have made these sorts of changes too—would say that you cannot take the staff savings first. If anything, you need more people to implement and bed down the change and only after that can you both begin to redeploy to improve service but also can you, if you want to, start to reduce costs. I think there are timing issues in terms of trying to do everything at once, as well as an incomplete and, not from our perspective at least, a fully understood plan to bring about service improvements alongside efficiency savings.

Ms Pearlman: I think also there were some quite simple things that happened right at the beginning that perhaps made it more difficult to reinvest those savings in terms of some of the staff that were moved, were redeployed within DWP, so they were not contact centre trained or had a particular aptitude for contact centre work necessarily, but, because of the changes in jobs and people being moved around, quite a lot of those staff were redeployed from other areas of the DWP; and that has not necessarily made the implementation at the beginning of that process any easier either.

Mr Exell: I should add that one of the things we have had reported to us by PCS is the experience of working in contact centres, especially those that have gone through times of reduced staff in any case because of summer holidays, or whatever, and increased demand. It has been extremely stressful, both for the staff working in those contact centres. I have had PCS reps reporting to me that it gets so that they have got more and more of their colleagues becoming ill because of the stress; that leaves the remaining ones feeling they have got to go into work because if they do not then it is going to be even more stressful for the remaining colleagues, but, of course, it gets into a very rapidly tightening circle of things getting worse and worse and worse. Hopefully some of the work-rounds are going to sort that problem, we hope.

Q19 Chairman: We have got PCS coming next week. Really you have been invited here for your expertise on the centres that you work in, but I appreciate what you say.

Ms Green: One other point I wanted to make also in response to the issue about the expertise in the contact centres. I think at this point the staff in the contact centres are probably going to be least expert. In a sense they are working off a script and that is the extent to which they have been trained and developed to move to. I would like to know whether there is an intention over time at least to think about upskilling the staff in the contact centres, because it seems to us, as the first port of call for people who almost by definition are likely to have quite complicated personal circumstances, the more
Ms Pearlman: It appears to be.

Q21 Justine Greening: Are they just front-line processors or are they more problematic than it has been in the past they think those people are going to be able to give. Is it really about this advice that is given that leads to loss. You have said that people are losing out because they have been given bad advice. I am not clear about the quantum of that. You say you have got examples, but we have got all got examples, not just recently but for years past, when people have given bad advice. What is the difference between the advice that you now perceive as being bad and resulting in loss and that that went before? Are there any statistics you can compare them to? Is there any difference because it is a contact centre or is it simply a perception or an assertion?

Ms Pearlman: I do not think we have facts. We might be able to find some, and if we can we will send them on, but certainly in terms of perception, I think it is not just about bad advice but it is about no advice at all. It is not even necessarily people being told they are not able to apply for an interim payment, they are just not being told that they exist, so people are being sent away with no idea where to go next, and certainly within the context of the customer management system that has been even more problematic than it has been in the past because of the delays that people are experiencing. If people are having to wait weeks and weeks, which they are, for benefit, they need to have something to fall back on as an income over that time.

Q22 Michael Jabez Foster: It is really about this advice that is given that leads to loss. You have said that people are losing out because they have been given bad advice. I am not clear about the quantum of that. You say you have got examples, but we have got all got examples, not just recently but for years past, when people have given bad advice. What is the difference between the advice that you now perceive as being bad and resulting in loss and that that went before? Are there any statistics you can compare them to? Is there any difference because it is a contact centre or is it simply a perception or an assertion?

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Q23 John Penrose: I want to tease out a little bit more some of the problems that need to be fixed. We have talked. I think, about the effects of the difficulties everyone is facing, but how do we go about fixing the difficulties? You have already spoken about the problems with redeploying staff into an environment they are not used to. How much and how fast can you train those people, how difficult is it to train them up and how much is it a question that you have got some of the wrong sort of people doing the job and you need to get fresh faces in who are suited to that particular type of employment?

Ms Green: I think that is a very hard question for us to answer, and that is where you would be looking for the Jobcentre Plus management to lay out a plan which you as parliamentarians could examine and question; but it certainly seems to me that Jobcentre Plus is under great pressure on a number of fronts, including the fact that it is still rolling out the model of bringing the new high street offices, the benefits and employment sides together. It has now got this centralising of benefits processing and on top of that the contact centres to implement. There has been parallel restructuring going on in other parts of DWP so that staff are moving about, for example, within the Pension Service and Jobcentre Plus, and I think Jobcentre Plus management, therefore, are put in a position now where they are having to manage from crisis to crisis to some extent. In terms of how long would it take to get beyond that and to lay out and implement a more strategic plan, I think it is difficult for us to answer that question. I think that is a management question. What I think we would say as organisations is that we think that plan ought to be there and ought to be open to scrutiny.

Q24 John Penrose: Can you see it at the moment?

Ms Green: No, I do not think we can, because I do feel that the management are having to respond to problems as they arise. If a problem arises in contact centres, they have to think very quickly. “How can we address that problem?” If a problem arises in terms of Jobcentre Plus personal adviser underperformance, they immediately have to rush over there and deal with that.

Q25 John Penrose: I think all four of you have said you would like to see more training and you would like to see other sorts of staff being brought in who are inclined towards this sort of work. Have any of you seen evidence of those fundamental issues being addressed?

Ms Bell: Jobcentre Plus have told us that they are implementing a retraining strategy and more learning and development for the advice given in contact centres. I think there is to some extent a decision that has to be made about how much advice they think those people are going to be able to give. Are they just front-line processors or are they actually advisers, and I am not clear at the moment what the model is meant to say about that and the level of training which they expect those advisers to have.

Ms Pearlman: One of the reasons that perhaps we are finding it difficult to answer the question is that the whole process has been marked with less liaison, both at a national level and locally, between spur organisations at national level and bureaux from our perspective on the ground, so it is difficult to pinpoint exactly where some of those problems are and how they might be addressed and how they are being addressed. We know that the statistics are improving, and things like that, and that bureaux are reporting fewer delays but by no means no delays at all, but it is difficult for us to input into that because we just do not know.

Q26 John Penrose: You would see the results if they were doing it, but you have no evidence that they are, is really what you are saying?
**Ms Pearlman:** Yes, or really about how they plan to.

**Q27 John Penrose:** Focusing for a second on other potential reasons why the problems arose, we have spoken for some length now about staffing issues of one sort or another. Presumably there might also be problems with IT systems. There has been much said about the contact system, about the processes that people are having to operate, about the management themselves. Have you seen evidence of improvement in any of those? Do you think that any of those are particularly urgent in terms of being fixed because of the sorts of problems that are coming to you?

**Ms Pearlman:** Some of the immediate problems that were apparent with the IT system, the CMS part of the system, have been refined over time, so there have been little piecemeal changes that have acted to kind of improve parts of the system, but I think overall we are still experiencing problems, clients are still experiencing problems in terms of forms being sent back completely blank despite having spent 40 minutes or an hour—so giving very detailed information—and people being given appointments for interviews through their contact centre but then turning up at the job centre and the job centre has no knowledge, and the computer is supposed to send the job centre notification of that. It is things like that, that sound relatively small but which really impact on people’s lives, especially if they have to travel some distance to get to the job centre or if it is difficult for them to do so.

**Mr Exell:** Perhaps one hopeful sign is at the end of last year a new version of CMS was brought in, and this is the first time since I have been doing this job that there has been a major new version of a DWP computer system that I have not had masses of complaints about from staff and claimants; so if we are looking for good news, that may be a negative sign of a problem that has not happened.

**Ms Green:** We do feel that each release of CMS is tending to improve the CMS system undoubtedly. There remains a concern in our minds about its interface with some of the Legacy systems, particularly where there is a need to search back to that older data, and we are not absolutely clear how long information is being held before staff might have to go back to look at that Legacy data. If that happens a lot, or if it happens quite quickly—your data is removed off the system after only a few weeks—then that does seem to us to be a continuing issue that would be tending to increase inefficiency.

**Q28 Mr Dunne:** I have a particular concern about the impact of some of these efficiency saving on rural areas, and in some of your answers you have touched on some of those issues. But could I ask you specifically what you regard the impact of closure of offices and also the run down in personnel and new staff in existing offices is going to have on claimants’ ability to get the services they deserve?

**Mr Exell:** Again, I asked our centres specifically about this point earlier on in the week, and I was told by an Ipswich unemployed centre that we have got closure of rural and small town job centres taking place at the moment, which is separate to the efficiency review but it is leading to problems for claimants who are having to spend more money travelling into Ipswich to make their claims. I have also had a report from Derbyshire that in the rural areas there have been difficulties in keeping job centres open for the required time. For instance, the Shirebrook office had to close at lunch-time early on certain days due to the staffing situation, which is unlikely to improve in any of the rural offices as staffing is being reduced again in April with the further head count reductions.

**Ms Pearlman:** We would echo some of that in terms of bureaux reporting that they are seriously worried, especially in rural areas, about the impact that is having on their local networks. Whereas before people would have been able to go into their Jobcentre Plus office and be directed to the right place, now some of those bureaux are finding they are acting as little more than directions services, because all of Jobcentre Plus’s clients would then come into them to say, “Where do I go and what do I do”, and they are then having to point them in the right direction, and that is having an impact on bureau resources. The bureau in Devon reported that their local office is now closed for part of the week, echoing what Richard was saying, including all day on one day, and that means that clients who would have been able to resolve problems—if one client did not receive his Giro, that would have been able to be resolved really quickly if they had been able to get to Jobcentre Plus offices. As it was, he had to wait three days while the bureau got through and then the cheque was posted out. Also a client in the north-west has found it more difficult to search for jobs since his local job centre shut. He explained that he was able to look for jobs in his local library, which is all very convenient, but then they did not have access to the application forms, so he would have to send away for the application forms, which would not come back to him for three or four days, by which time the vacancy had been filled; so he was finding it more and more difficult to look for work and it would have cost him two or three pounds a time to go to the job centre in order to look for work.

**Ms Green:** I think we are concerned about the extra length of journeys that some claimants may face, sometimes very substantially extra long journeys, and also the cost of making those journeys; and one of the thing that the Child Poverty Action Group has been advocating is to see whether some help in advance, at least with the financial cost of making those journeys, for low income claimants could be considered.

**Ms Pearlman:** What we are finding is that, although there is some discretionary help available, clients are not being told about it so they are struggling to make those journeys and not being reimbursed.

**Q29 Mr Dunne:** Vicky, you mentioned the use of a library. I have an example in my constituency where the Jobcentre Plus is closing and a small proportion of the personnel are being transferred to open up a facility in a public space, in a public library. Are there confidentiality issues involved in having clients...
discussing their issues, not necessarily in an open forum but, with other people in a library or a place like that?  
**Ms Pearlman:** Potentially, yes. In terms of meeting people you know, or, yes, in that sort of way. It would be important that arrangements were made so that there were individual rooms that people did not feel that they were going to be pressured into explaining confidential and personal details to all and sundry. We would welcome the fact that there is potential for clients to see people from Jobcentre Plus in their local area, which would mean that they did not have to travel, but it would have to be quite carefully managed.

**Q30 Mr Dunne:** Do you think there should be some guidelines that the department should use when establishing whether they should be closing an office or not, or should there be a maximum distance that people should be expected to travel, or is that too prescriptive?  
**Ms Pearlman:** I think the distance issue is really interesting. We have all spoken about how difficult long distance or expensive travel can be, but it needs to be thought about quite carefully because there are quite arbitrary lines. If you live in Devon, we are closing your local job centre, but your nearest one will be somewhere else in Devon, whereas actually you might live very close to a border of Cornwall, for example, and it might be much easier for you to go to a job centre in Cornwall, so there needs to be a realistic approach.

**Mr Exell:** It needs to be sensitive to local conditions as well. In former mining communities, for instance, the former pit villages very often have atrocious public transport to the nearest big towns, and so that can be a major issue in some very deprived rural areas.

**Q31 Natascha Engel:** I wanted to come in quickly on that to mention that the constituency where I am borders Chesterfield and Shirebrook, Bolsover, and the Citizens’ Advice Bureau that I have been in close touch with and also the unemployed worker centres feed very carefully into the job centre and Jobcentre Plus networks. What I wanted to get was this idea that when you have got rural communities that are rural because of mines and industries that have closed, how can you best ensure that network does not break down because one of the elements has been taken out of it? The impact was most strongly felt in Shirebrook and had a ripple effect all the way to my constituency and other constituencies around, and also it means that you get a huge influx of casework as an MP.

**Chairman:** A vested interest!

**Q32 Natascha Engel:** As practitioners on the ground and people with an overview, how would you best go about avoiding that and how can you best foster transparency and mutual help?  
**Ms Pearlman:** Primarily it is about good liaison relationships and good information. I have said earlier that bureaux have found themselves in the dark about some of the changes that are going on, just on a practical level, about which job centres are going to be open, who is responsible for what, where each individual benefit is being processed, and if advisers were in a better position to point people in the right direction, then some of that would be alleviated. Also if Jobcentre Plus was very open in terms of their publicity for claimants, people in those communities who might need to contact them, about where they could go, they would not necessarily have to go via an advice agency on the way. Certainly I cannot really stress enough how important those local liaison relationships are and our experience has been that when the changes are at their greatest that is when liaison has tended to break down most significantly, perhaps because Jobcentre Plus have not been up to speed themselves and they have been struggling to cope with the changes that are being faced, but it has a really severe knock-on effect.

**Mr Exell:** One advantage that Jobcentre Plus has over other organisations is extensive experience of home visiting to work with clients, and they should be playing on their strengths on this and making more use of that. It is something they are good at, something that they know how to do. It does use up resources, unfortunately, but, especially in relation to the concerns about confidentiality, and I should say clients’ confidentiality issues are racing up our agenda of concerns, and if you have got clients who has got real issues that really it would not be best to talk about in the hearing of other people, a home visit is far and away the best way to deal with that.

**Q33 Justine Greening:** We talked about some of the issues in the contact centres, and obviously there is a move towards processing all benefits in one site, in the contact centres. What impact do you think that is going to have in terms of the quality of that processing and the timeliness, in particular, about when people get their benefits processed?  
**Ms Green:** Over time, at least, we would hope that it could be a very helpful trend. It will enable concentrations of expertise and the opportunity for staff to build up particular skills on particular benefits, and, indeed, that has always been a strength of certain centres that they have become very good at processing certain benefits. I think that what we are really looking for, therefore, is a very efficient operating model in which benefits processing centres have their place and with very clear processes to be followed and very clear timescales in which those processes have to work through. I do not think I see this per se as a worrying trend; I think it is a trend that has a lot of potential to significantly improve expertise and service.

**Ms Pearlman:** We would agree with what Kate says. I think it is a concern, but often the benefit processing centre is dealing with clients, bureau areas that are geographically very separate, so a bureau in the south-east—their benefit processing centres might be up in Glasgow or the north-west, and traditionally liaison, again, between bureaux and the processing centres has been really important in terms of being able to resolve difficulties quickly, being able to keep track of where claims are, and often that has been as a result of good local
relationships, and it is going to be much more difficult to build and then maintain those kinds of slightly more informal relationships that really oil the wheels if those centres are—I am not suggesting that those centres should be local necessarily, but that there should be consideration given as to how to maintain those kinds of relationships.

Ms Green: There have been some language concerns as well, where you have got particular cultural communities being served by a benefits processing centre in a very different kind of community without people with the relevant language skills, for example. I think there is quite an important piece of work to do to make sure that clients’ needs are being properly matched up with where services are being provided.

Q34 Justine Greening: Can you give me a few more examples of what that means in practice. Playing devils advocate, I pick up the phone to talk to anybody who I am not talking to face to face. There is a communication difference. Why does it make a difference between one mile and a 100? Can you tell me some of the things that come out of it being 200 miles instead of 20 say?

Ms Bell: It is not things going wrong, it is whether you know who to access when things go wrong. You have picked up the phone. You have made your claim. Six weeks later nothing has happened. It is knowing who to phone at that point. I think that is what is going to be really important about making this work, making sure that those connections are in place and that it has very clear lines of communication.

Q35 Justine Greening: Do you think that people find it a bit more unusual to see a number to call and it is hundreds of miles away, whereas if it was a local number that would make more sense to them and they would feel like it is their number to call?

Ms Bell: I think it is just having the number to call. That is the really important issue: knowing that you will get through to the right person.

Mr Exell: The point that Kate was making, I think, is particularly relevant to London.

Ms Green: Yes.

Mr Exell: People in other parts of the country, leaving aside the language issues, may well not understand English spoken in an accent that they are not used to. That is a problem with call centres a long distance away for anyone, but, given that there are so many different communities with different accents here in London, moving call centres and benefit processing out of London can be a bit of an issue there.

Ms Green: In our written evidence we have given a couple of examples, first of all, London language problems related to a centre in Scotland, and, secondly, an issue for some Welsh speaking claimants who are unable to talk to Welsh speaking staff.

Q36 Justine Greening: Predominantly it is about access to the number, actually. It sounds like that is the underlying problem rather than a geographical one, that because of the distance sometimes people will not have the number?

Ms Pearlman: Yes, because the bit that fits in the middle of that is knowledge and understanding and those relationships that are built up between, for example, the bureau and processing centre staff, and, although that is not impossible to create over distance with telephones and emails and that sort of thing, it is not such a natural relationship.

Q37 Justine Greening: What are some of the practical things that you would suggest happening that would have a big impact in getting over those problems for people?

Ms Green: As Vicky says, an important thing is that if benefits centres are going to be serving particular parts of the country, albeit geographically not necessarily close parts of the country, it is important that the personal relationships between the staff in that centre and local advice agencies on the ground are really fostered, and that is perhaps arguably more difficult when they are in different parts of the country, you know, sort of face to face contact, that enables people to build up trust, and good personal relationships become harder. I suppose the practical suggestion is that management in those centres are going to have to think quite creatively about how they are going work out who their “local” advice agencies are and how they are going to maintain good relationships with them.

Ms Pearlman: And how they are going to make sure that when there is change, whether it is as simple as phone numbers changing or named contacts changing, that that information is passed down to the advice agencies and anybody else that will be needing to contact.

Mr Exell: I am a bit less positive about benefit processing centres than some of my colleagues here in that the experience of the last year has moved me from neutrality to scepticism, but also in terms of maintaining those relationships between the job centres and the benefit processing centres. If you want to maximise the advantages of new technology, you have to be able to switch work between different centres according to the surges in business that they have got going on there—that is how IT produces gains for organisations—but that, of course, is disruptive of precisely the sorts of relationships that you need to build to deal with problems, and I think there is an unavoidable tension there in the new model.

Q38 Justine Greening: Finally, you mention the language issue. What can be done to get over that? Is it a question of having specialist contact centres or benefit processing centres that deal with particular languages you need to be able to handle? What is the answer?

Ms Green: From a customer point of view that is very attractive. It may be very expensive to do it in that way, and I think there is certainly some attraction to using local staff in local communities as
much as possible, not having benefit processing centres geographically at the other end of the country from the communities they are serving.

Q39 Justine Greening: So maybe some sort of management, but for this particular group of people you will need to deal with them in the Jobcentre Plus and they will be given resources to support them?

Ms Green: Yes.

Mr Exell: Because they reflect, very often, the communities in which they are based, the staff in job centres are particularly well placed, and also it would be a way of recognising the implicit skills of many very low-paid very low-ranking staff.

Ms Green: There has been an interesting experiment, I think it is one of the British Gas companies (Centrica)—I am not clear who they all are now—where they very much focused on this in their contact centres, how you can actually track the language skills of all your staff and make sure you have got all that information being used efficiently to serve the customer; and it would be an interesting model. I guess, for public agencies like Jobcentre Plus to study.

Ms Pearlman: At the moment, I suppose, in terms of geographic dispersion, there does not seem to be any relation between the areas that benefit processing centres are serving. It appears to be random.

Q40 Justine Greening: Too random to actually make sure that the people who are benefit-processing actually understand the areas that they are serving?

Ms Pearlman: There might be very good reasons for those processing centres to be working with those particular kind of geographical areas, but I am not clear if there are areas, but it might be interesting to see if there could be better matching.

Q41 Justine Greening: Yes. You might have similar demographics being matched up so that at least they would come across people who would be able to develop a skill-set of experiences.

Ms Pearlman: Yes.

Q42 Mrs Humble: Can I come in with a little supplementary on your building relationships with these far distant contact centres and processing centres? Have you encountered any problems since the implementation of the Data Protection legislation with regard to the nature of the information that Jobcentre Plus will share with you, and, if you have, how have you overcome them?

Ms Pearlman: Not specifically. It is not something that bureaux have reported to us as an additional barrier. That might be because the problems that they are facing, the barriers that exist already, are so great that that might pale into some sort of insignificance. I do not really know, is the answer.

Mr Exell: I have had a couple of complaints come in about private sector call-centres using Data Protection as an excuse for not helping someone when they ring up, but I have not had that complaint about Jobcentre Plus.

Q43 Mrs Humble: I know I have had complaints that they insist on speaking to the individual rather than somebody speaking on their behalf?

Ms Pearlman: Absolutely, and that is something that we have had. That is something we have seen quite a lot of evidence of and which bureaux have reported, especially when trying to make contact by phone with the contact centre, that unless the person has been sat next to them they have not been able to act on their behalf, and when you are having to spend hours trying to get through that is a completely unrealistic expectation. Even when the bureau fax through an authorisation, which they would have been able to do very easily in the past, that is not always being kept accepted in the same way.

Mr Exell: Our centres are being told that is more for security and anti-fraud reasons than data protection.

Ms Pearlman: I am not sure what the reason is, but that is the outcome, that advisers are finding it much more difficult to act on behalf of their clients.

Q44 Chairman: I do not know that this is entirely relevant to processing centres, but we have had reports of staff having difficulty locating papers in the processing centre, the contact centre, the archive place. Is this just people like me being technologically incompetent or is there an on-going need, do you think, as representatives of claimants, for a paper-based system? In the rural areas, is there any reason why people cannot sign on by Internet, for instance?

Mr Exell: First of all, the primary legislation would have to be changed to allow for that, and, secondly, we have been told that Jobcentre Plus has not been able to get round, has not been able to square the circle of how to ensure they are not facing an identity fraud problem with, at the same time, the desire to make it possible for people to claim via the Internet. I know they have looked into this and they have not been able to solve that conundrum so far.

Q45 Chairman: On the initial contact centre where you can read the problem over the phone, they could complete it on a computer, email it to the individual and it comes straight back, and that takes probably a couple of days after the system you have just proposed.

Ms Pearlman: The Department of Work and Pensions are planning to introduce some form of e-claiming for some of the benefits that are subject to their customer management system, which would basically mean that, instead of picking up the phone for that first contact with the contact centre, you can do that initial first contact to give your basic details over the Internet, which is a very attractive alternative in the range as long as it is not replacing any of their existing methods of contacting. One of the concerns that we would have with that is, if it proved to be really popular, which it might well do, at the moment we have been seeing delays in people being able to get through on the phone, which has naturally mediated the demand, the processes that follow, so it has naturally mediated the demand for
the outbound call and for the appointment that follows that and then the benefit processing. They will not get an engaged tone when they are applying by email, and so our concern would be that resources are channelled significantly into the following processes to make sure that the delays are not just moved from that initial call, where people are getting a recorded message and hanging on for hours but they know they have not made contact with a contact centre to a situation where people have, in all good faith, sent, off the beginning of their claim and then the delay has happened further down the line.

Q46 Miss Begg: I have got a couple of quick questions on personal advisers. Jobcentre Plus has told us that more needs to be done to improve the consistency of personal adviser performance, and I think they have got a performance called “red, amber, green” because some advisors deal with very few clients and others see many more. Do you agree with them?

Ms Bell: I think we understand the desire to improve consistency, and one of the things we are worried about is variations in personal adviser performance and how that affects clients in different parts of the country. However, we have got some concerns about the red, amber, green tool. Talking to some advisers, they say it has been used very much to monitor processes rather than outcomes, and I talked to one adviser who was saying that it is very much dissuading them from focusing on more disadvantaged customers who might take longer to deal with, who might need a longer-term intervention, and she said that her whole team was operating on red, and that was a team of very experienced advisers, and she felt it was demoralising their performance and affecting their performance negatively.

Ms Green: The challenges for personal advisers are going to increase, because if we see, for example, and we do not know that we are going to, the roll out of the ideas in Building on New Deal, advisers are going to have to be so much more skilled in selecting the right package of support for their individual clients. I think Jobcentre Plus are absolutely right to identify the need to invest in the adviser cadre, but I think I also very much agree with Kate that we get a sense of advisers feeling under quite considerable pressure and quite low morale and concern that they are continuing to face very heavy work loads against a constantly moving environment and that some of them, for example, are well into the job before they are receiving basic adviser training.

Mr Exell: Obviously that is one of our concerns as well. It does seem to me there is a tension between the desire to have consistent standards of performance and the ideas in BOND about devolving decision-making and managerial powers.

There is an unavoidable tension between consistency and devolution of decision-making. We can take steps to get the best mix of both that we can, but it still suggests that BOND, which a year or so ago was heralded as the way forward for Jobcentre Plus, may be out of step with the new thinking in Jobcentre Plus about how to manage the service.

Q47 Miss Begg: Do you think the case loads that the special advisers have are unrealistic and is that affecting the quality of the service that your clients are getting? Are they being rushed through?

Ms Bell: Lone parent advisers have certainly been telling us for some time that with the introduction of more and more work-focused interviews they feel they are having to concentrate on compulsory interviews rather than case-loaded clients and on getting interviews done rather than focusing resources on those who need more intensive support to go back to work. The other thing they are telling us now is with the efficiency savings and the cuts and resources in job centre funds, they do not feel they have the tools to do the job and that is affecting morale quite severely.

Q48 Miss Begg: You mentioned compulsory interviews. If somebody is invited in for a compulsory interview, are you saying that therefore they need more time because psychologically they have been forced into the situation rather than somebody who presents themselves voluntarily, who is already prepared for work and that is probably why they have come in, as opposed to those who have been called in as a result of compulsion.

Ms Bell: I do not think it is necessarily that they need more time. In New Deal for lone parents, for example, as it has developed there have been more compulsory interviews and less voluntary claimants, and because the compulsory interviews are compulsory that is what the advisers have to focus their time on, and that is very much around how they are performance-managed. I think, and so that those clients who have been case-loaded who voluntarily decided to join New Deal for lone parents, there is less adviser time available for them.

Q49 Miss Begg: That is obviously case-load. What about the targets and the targets about job entry. Are those unrealistic as well?

Ms Green: They are certainly under performing against them this year in most categories, but I think Jobcentre Plus has always found it quite difficult to set targets accurately or realistically against such a constant backdrop of design change, and we know, of course, that a further change in the way in which job outcomes are going to be measured next year is on the horizon, which means that, yet again, advisers are going to be measured against a different sort of approach to what they are used to. I do not know if it is possible in such an unstable environment, when design change is changing so much from year to year and even month to month, to be very clear what realistic targets would be.

Q50 Miss Begg: But if you look at the thing holistically. I remember when personal advisers came in first, it was a new system, people were not sure how effective they were going to be; they have proved to be very effective, so if you look at the whole piece are things getting better? Are personal advisers getting more effective and better at
their jobs? Is the system improving with these inconsistencies built in which obviously they are trying to deal with?

**Ms Bell:** I think the issue is if you look at Jobcentre Plus performance for last year they exceeded their targets and they were working very well. This year they have had their Adviser Discretionary Fund reduced by a third and that is affecting the interventions they can make. The level of contracted-out training has been massively reduced so that is reducing the level of interventions they can make. You can be the best adviser in the world but if there is nothing to refer your client to and your resources are significantly constrained then you cannot have the same impact that you were having previously.

**Q51 Miss Begg:** So they are not getting the tools to do the job?

**Ms Pearlman:** We are concerned that the emphasis on job outcomes and job entry is further adding to the lack of morale with staff. If you are working with people who are quite a long way from the labour market then you could be doing very good, very intensive work that will not result in a job, and the emphasis on those sort of targets is not always very helpful for the quality of their working lives.

**Q52 Miss Begg:** What would you like to see that would improve the service with regard to personal advisers, who are obviously key to all of this?

**Ms Green:** One of the things that is really key, as Kate has just referred to, is having good provision to refer clients on to and skilled advisers who understand the nature of that provision and the kind of outcomes it can deliver for individual claimants.

**Ms Bell:** We have argued for a long time for a rethink at the target structure so that advisers can be recognised for the work they do in moving people towards work as well as into work so that recognises the work they do with the more disadvantaged clients. As Kate says, the tools they have are absolutely critically important.

**Mr Exell:** And allowing advisers to build up their expertise is also important. Some advisers are being moved to generalist work from more specialist roles which is problematic if we are moving into an area in which there is eventually going to be more concentration on harder to help clients.

**Q53 Miss Begg:** Something else just occurred to me as you are talking and that is the follow-up work. With the pressures on personal advisers and their caseloads which are larger, is the follow-up work happening or is it harder for your clients, having built a relationship up with a personal adviser, who discover 13 weeks down the line or maybe even longer than that when they try to get back that personal adviser is either no longer there or does not have the space in their diary to deal with them? Is that a problem?

**Ms Bell:** That is a problem. We have been again arguing for a long time that there should be more support after lone parents, for example, go into work and at our conference we were raising this issue. All the personal advisers we spoke to said, “We would love to do that, of course we think that should be part of our role. That is what being a good adviser is, but we simply do not have the time.”

**Mr Exell:** Certainly all the research and the US experience suggests that that brings big advantages in terms of retention.

**Chairman:** Justine Greening?

**Justine Greening:** My question was answered, thank you.

**Q54 Harry Cohen:** Jobcentre Plus told us that earlier this year that they reviewed the training for employment programmes and although there was the early termination of 194 contracts and they did not extend a further 183 contracts, it still left 2,294 contracts in place and the budget was sufficient to support these priorities and there was provision in place for all those entitled to it. Does that accord with your view?

**Ms Bell:** This is one of the things that we have had most concern about from lone parents calling us. They are being told there is no training for them to go on. The definition of “entitled to” is quite difficult. Lone parents are entitled to go on training if the personal adviser thinks that it will help them go back to work and therefore it is a very obvious place for budget cuts to be made because the training they are allowed to go on is entirely discretionary the training they are allowed to go on. This has been an area where we have seen substantial cuts and having a look at the figures the number of lone parents that have been referred to training has been reduced by about one-third since May, so we think they are having quite substantial impacts.

**Q55 Harry Cohen:** Is that just lone parents?

**Ms Bell:** That is just lone parents.

**Mr Exell:** Strictly speaking, the only people who are entitled to programme provision are those who are required to attend it.

**Ms Green:** I think there has been a real concern among our organisations about a lack of investment strategy in these providers. Providers have lived in a very different and difficult environment with stop-go on their contracts, long periods when they are not sure if they are going to be renewed or continued. There is continuing confusion about what will be Jobcentre Plus provision and what for example will be provided through the Learning and Skills Council, and the different priorities for those two agencies in terms of the purposes of training as they see it. Looking at it from the outside in we still see a very confused picture in terms of what the intention is around ensuring good provision and a good provider network.

**Ms Bell:** I think there is a particular problem at the moment as well because the Learning and Skills Council is reducing its budget for adult learning so both Jobcentre Plus and the Further Education colleges are saying to lone parents, “We have got no money for you to pay for child care while you are on these courses.” So even where Jobcentre Plus was referring to non contracted provision previously it was able to help lone parents with the cost of child
care while they attended training. They are saying they cannot do that and the further education colleges are also saying we have not got the learning support fund and that means we cannot support you there either.

Q56 Harry Cohen: That is a pretty clear indication of reductions as far as lone parents are concerned. I am aware that the target the Government set for lone parents into work is 70% and it is around 55% now. We are in 2006; do you think that target is just going to go by the board with these sort of policies or would there need to be an absolute step change?

Ms Bell: It is certainly a very significant challenge. If they are to meet the target the lone parent employment rate would have to rise three times as quickly in the next five years as it has in the previous five years. We think it is a case where lack of investment is really worrying us because we think lone parents out of work now are likely to be those who are more disadvantaged and who need much more intensive support to go back to work. We think that the lack of resources for skills development and the lack of resources for training does put the target at risk.

Ms Green: I think there is now a new worry on the horizon about the ambition to move substantial numbers of incapacity benefit claimants off benefit possibly through training and into work. I am very anxious to know where the provision of that training and support is going to come from, how it is going to be paid for, how we can be sure that there are enough expert providers out there and how those providers will be supported and are able to continue to maintain and develop their infrastructure. I suppose we can hope the Green Paper will give us some reassurance on that but it is a very significant concern and I think it is a worryingly simplistic response simply to say the voluntary sector can do it all. The voluntary sector can be very good at certain things to do with identity with the client but it is not by any means a sector that can fully replace a national infrastructure.

Mr Exell: Before the cuts came in last year, in other words before people were upset about it, every time I spoke to personal advisers about what works for them they would also mention the ADF as being one of the best things in their tool kit. Managers also valued it because it gave reassurance on that but it is a very significant their staff the sort of flexibility that their counterparts in employment zones had got.

Q57 Harry Cohen: You mentioned in your answer to my colleague just now about the Adviser Discretionary Fund being cut to one-third from £300 to £100. I want to ask you in a bit more detail really about the impact of that but particularly in relation to lone parents, was it used much for lone parents anyway and could it be an effective tool for lone parents (probably at £300 rather than £100)? Could you give us some thoughts about that?

Ms Bell: I think it was a very effective tool for lone parents. All the evaluation suggested it is one of the best parts of the advisers’ tool kit and I think it gave advisers some confidence that they really were able to help lone parents, so the cuts have concerned us quite a lot. I think also they did an evaluation of the Adviser Discretionary Fund and this was some of their justification for why they were cutting it said that the average payment was about £100 but I think for lone parents—and I shall check up on this—that the average payment was significantly over £100, and so that cut really is going to make a difference. We have also seen a significant fall in the number of times the Adviser Discretionary Fund is being used. I think they were making about 9,000 awards a month before May and this has fallen to around 6,000 awards a month after May so it is not just cuts in the amount being made but cuts in where it is used at all. Some districts have told us we have got no budget to make an Adviser Discretionary Fund award and it was that that was really making the difference. It also makes lone parents feel that the adviser really could help them.

Mr Exell: Before the cuts came in last year, in other words before people were upset about it, every time I spoke to personal advisers about what works for them they would also mention the ADF as being one of the best things in their tool kit.

Ms Green: It did have scope for further improvement, I think. First of all, the fact that it was discretionary was of some concern and particularly that there was no right to appeal, if you like, no scrutiny of the way in which necessarily it was being applied. Secondly, there were gaps in data in terms of how it was being used, particularly, for example, to reach different ethnic minority clients, how it might be applied to different disadvantaged groups.

Q58 Harry Cohen: Government Ministers talk about wraparound childcare and we have got children’s trusts, we have got SureStart. Is this a significant gap in wraparound childcare if lone parents cannot go into work and access some of these resources for childcare?

Ms Bell: I think the problem with childcare is we have had lots of really good promises and we have got lots of good prospects for wraparound childcare but there is occasionally an assumption that because it is being said it is going to happen that it already has happened, and that is not what is happening on the ground.

Chairman: We have noticed.

Q59 Harry Cohen: Moving away from lone parents I ask one more question and I am a London MP so this interests me. I saw in the TUC statement it says: “In London the New Deal for Young People has effectively been reduced to one option”, and then later on they mention serious cuts in the North. Can you tell us something about that?

1 The average payment of ADF to NDLP customers was £130.55.
**Mr Exell:** Effectively the Environmental Taskforce has never really got off the ground in London. It has always been a minor element of the New Deal here. Of course the job subsidy has stopped being an option nationally because it has become something that can be applied at any time during a person’s experience on the New Deal for Young People and then we have also had the huge cut-backs in training provision which has left nearly all clients with effectively different providers in the voluntary sector option only the one option. I should say that when I raised this with the Minister a few weeks ago she told me that she had taken action to address this and my understanding is possibly out-of-date. It might be something that is worth asking her about when she comes to see you.

**Q60 Harry Cohen:** That is helpful. Finally, the postponement of the roll-out of Building on the New Deal?

**Mr Exell:** I should say that is something that is tremendously disappointing. If you talk about the future of Jobcentre Plus it is going to be all about helping the hardest to help. As unemployment has come down so that group gets more and more significant in terms of Government objectives. This is a group that is badly served at the moment by the New Deal programmes. The New Deal is great with rank and file unemployed people but it has never done as well for those with the most problems and of course has not been designed for economically inactive people. They need extra help and they need flexible support and if you look at for instance the plans for helping ex-offenders and for helping asylum speakers they are all building on Building on the New Deal and the fact that that has been cut back and postponed is really very worrying indeed. BOND is expensive so we can all work out a reason why that has happened and it strikes me as being the most depressing thing about the future in terms of the prospects of clients of any development that I am concerned about at the moment.

**Chairman:** Thank you very much for attending this morning. It has been a very useful and informative session. It is good to see you all and I wish you every success.

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**Witnesses:** Mr Graham Hoyle, Chief Executive, Association of Learning Providers; Mr Dave Simmonds, Director, Centre for Economic and Social Inclusion; and Mr Stephen Bubb, Association of Chief Executives of Voluntary Organisations, gave evidence.

**Chairman:** Good morning and welcome to you. Can I apologise to the Committee. I have just realised I think I am a member of the Centre for Economic and Social Inclusion but I get no benefit—no financial benefit—and I am not going to be asking any questions. From the days when it was the Employment Unit I think I am still somewhere in there. I hope that is okay. Thank you very much for being with us today. We have seen most of you before and I hope that this is going to be another productive session. If we can start with Natascha Engel.

**Ms Exell:** We left the last session going into the area of training and training provision but I wanted to go back and look more generally at the whole question of efficiency savings—and this is specifically to the Centre for Economic and Social Inclusion—to ask about what kind of impact you think the issues that you were talking about in terms of staffing and IT are having on the problems that were being experienced throughout the system really in Jobcentre Plus and what impact that was having on the training, the work and more broadly also in the very near future on the incapacity benefit reforms and whether it will have an impact?

**Mr Simmonds:** Thank you very much, first of all, for inviting me here today. It is a broad opening question and I suppose we need to go back to what we were saying in the very near future. Efficiency cuts were announced and we asked the question then would they be damaging or would they be manageable, and I suppose in terms of our overall assessment in terms of this financial year we have to come down on the side of the fact that they have been damaging. However, at the same time we have obviously got to put this in context. The task that Jobcentre Plus has been set is an incredible one: an almost 25% reduction in staffing levels between 2002 and 2008 and of course an expectation to maintain services if not to increase standards of services to customers. Put that to any private sector company and they would probably blanch at the thought of having to do that. So the task being given by the Government and the whole of Treasury was a very, very difficult one and that was driving the need for radical change and it would require excellent management, I would say, to implement that without any consequences down the line for customers. I think in terms of the implementation of those radical changes, many of which we do welcome, we all know that it is critical to get the people right, the timing right and the testing right, and this applies specifically to the introduction of call centres and CMS. Clearly our assessment overall is that not enough has been done on all three counts. Probably not enough investment in people; getting rid of people and not being able to deliver the customer facing additional staff in time; not enough time in terms of training, a very ambitious programme of change laid on top of (and you lose count of what is laid on top of what) change in terms of the staffing reductions, management restructuring and so forth; and of course the testing which we felt overall has been insufficient. Of course, the impact falls on the most vulnerable. The key question for us at the moment—and I suppose the jury is still out—is whether the efficiency savings have done lasting damage or whether it can be just
characterised as teething problems. I think that the jury is still out on that because there is no doubt that in recent months Jobcentre Plus has made some improvements around the answering of telephone calls and so forth, but what has to be recovered in terms of morale, in terms of impact on customers, in terms of the standing of the Jobcentre Plus, I think really essentially Jobcentre Plus has got some way to go before it starts to catch up that loss of morale and standing. There are some longer term issues which have already been debated about whether or not the divestment between customers is actually in line with an individual, centred service being delivered by Jobcentre Plus, and that of course is going to be critical when it comes to the delivery of reforms around IB and critical if Jobcentre Plus can claim to be individually centred. That is where personal advisers are not just critical, they are absolutely basic to the delivery of that vision.

Natascha Engel: Thank you.

Q62 Mrs Humble: Can I move on to discuss more directly employment and training programmes. Jobcentre Plus, as you know, has said that the provision of employment programmes is in place for all those who are entitled to it. Do you agree? This is not an exam question by the way! I will start with Chris and move along.

Mr Melvin: I think the TUC representative earlier made a good point in saying that they are only available for those which are mandatory. If you look at the voluntary programmes for single parents and for people on IB and for those who are on no benefits, they are not available to everyone because all of those contracts are capped so they are delivered by providers in the main and they will have a maximum number of job entries which they can deliver. On New Deal for Disabled People particularly there are contractors—and I give the example of one of the ERSA members, Sure Trust— who have over the past financial year used their own income from charitable activities to pay for a significant number of additional job outcomes above and beyond the contract value that Jobcentre Plus has agreed with them. I think that shows two things essentially. Firstly, there is a greater demand than there is the budget to relate to that demand. Secondly, there must be a lot of people who want that service who are not getting it because the Sure Trust is one of the few providers of a size and capacity to be able to pay itself to do that service and many other providers are not in a position to do that.

Q64 Mrs Humble: Would it be fair to say—and Graham you can comment in general terms and also on this question—that expectations were raised about the level of training to be available and the Department is now cutting back to its core delivery to the people who are technically entitled and there has been cutting back on the voluntary programmes?

Mr Hoyle: There is no question about that. To take the question of the amount of training available—and I will concentrate on the training side, if I may, as opposed to the job-finding side although we know they are linked—most of the ALP’s members are training providers and during the last year contracts to deliver training in order for people to find work have been cut back dramatically. I think in many ways this is one of the deep problems that has got to be addressed. We have got the efficiency savings—and I listened to what Dave said and I agree with all that—but I think there is another issue here which is a focus on exactly what Jobcentre Plus wishes to purchase on behalf of this client group. From where I sit the client group is increasingly difficult to deal with, unemployed people, people at the difficult end, plus those on incapacity benefit which are even more difficult again. There is an increasing gap between where this client group is and jobs, and that gap equals training, so we have got to focus it into a sector where this client group is and jobs, and that gap equals training, so we have got to focus it into a sector that fits in quite nicely with many other providers are not in a position to do that.

Q65 Mrs Humble: Given what you have just said, Graham, could you comment a little further on the “Ambition” pilots, tell us more about them and the things essentially. Firstly, there is a greater demand than there is the budget to relate to that demand. Secondly, there must be a lot of people who want that service who are not getting it because the Sure Trust is one of the few providers of a size and capacity to deliver training in order for people to find work. There are some longer term issues which has to be put into this particular client group. That has been cut so I think we are actually going in quite the wrong direction.

Mr Bubb: Exactly. The Shaw Trust of course is one of my members and a lot of our members are mainly employment-related either wholly or as part of what they do in other areas (like RNID) and I think this is the particular problem that Jobcentre Plus has which we have to tackle and we have to tackle through radical reforms to the structure and radical reforms to contracting.
strategic thinking about what is the nature of the problem. The nature of the problem is we have got to bridge the gap between a large group of people who are not in work and have severe problems in getting into work and making them work ready and making them employable. That is the bit that is being squeezed just at the time when it should be being expanded. If you get that right then job-finding and linking them up with increased demand in a labour market becomes doable. If you do not do that then we are just playing around, we are pushing money round and round the system and pushing people round and round the system, and I am afraid we will not get them substantially into sustainable work.

Q66 Mrs Humble: A general comment but also could you answer specifically with your comments on the Ambition project and Building on the New Deal; the fact that the Adviser Discretionary Fund is now being reduced, how is that impacting?

Mr Simmonds: First of all on employment training programmes (because we have been looking at recent figures on this and we can provide some supplementary information) since April last year there has been a clear decline in the numbers of eligible people starting on programmes in any one period and the reasons of course for that decline—and by eligible I mean those people who are required to participate on programmes—of course can be various. For example, they could just be found a job straightaway so they do not need a programme. However we know that the job entry targets for Jobcentre Plus are not being met so we have to assume that is not the reason. So what is the explanation for why the numbers starting have been declining? We have got to put it down to three things. First of all, there is a reduced capacity by providers overall within the system and very specifically there have been examples before in certain parts of the country where certain options are just not operating. Secondly, of course, the other option is that the referrals could just be being slowed up. It could just be taking longer for people to be processed and arrive as a start on a programme. Finally, there has been over recent years an increase in the number of what are called “early entries” to New Deal—those people will become eligible but can start earlier because they are the most disadvantaged groups. The other possible reason is that the number of those early entries has been reduced. We do not know and we cannot unpack from where we are sitting the actual reasons but it seems to me that the decline in the starts has to lie in one of those three reasons. Just moving briefly on to Ambition, I think the expression was that it had decided “not to recontract” rather than ended, but that from our point of view was the only really employer-facing programme in the whole suite of Jobcentre Plus programmes and initiatives. The consequence was that whilst Ambition had a high initial cost, we suspect and there are some figures that would show that the overall cost effectiveness was pretty comparable with New Deal because job outcomes were so much higher because they were really genuinely focused on employers. With ADF again I would reiterate what has been said to you before. From every evaluation, whichever way you look at it, the ADF is successful, it is popular, advisers like it, customers like it, but it is being cut. The reason why it is so successful is precisely because to increase some people’s employability takes sometimes very small sums of money, they do not need the whole programme, and that is what the ADF gave. If ADF is operating effectively, which I think in general it probably still is but on reduced resources, what it is doing is making some people quicker and cheaper to process, enabling a greater concentration of resources and time on those people that need it the most. Finally, I will finish up with our grave disappointment on BOND. It was announced in June 2004. I know that because it was at our conference and I was chairing the Minister when it was announced, since which time there has been total confusion. Total confusion I think both within Jobcentre Plus and the Department but also of course that compounds the confusion outside in terms of whether it is on or whether it is off. I make the simple point that the broad structure of the New Deal was designed in 1996 or thereabouts for a different labour market and different conditions, and it has been incredibly successful. We now need a suite of labour market programmes which are fit for purpose in 2006. If BOND was actually on track, announced in 2004 and rolled out, we probably would have had them. We are almost two years on and we are no further forward.

Q67 Mrs Humble: Graham, can I just come back to you on the issue of the provider base that Dave just mentioned because in your memorandum you do refer to “a complete breakdown in any form of effective strategic engagement with the provider base.” Do you want to add anything to that?

Mr Hoyle: Yes, sadly, that was the experience we had in 2005, although perhaps I will jump to the good news and say that there has been a real and genuine attempt at Jobcentre Plus to rectify that during the last month or two and there has been a high-level strategic taskforce set up for Jobcentre Plus, and our colleagues at ERSA and ALP have been working with them over the Christmas period with a view to looking at sensible contracting arrangements long term—and I will not go into the details. That is very welcome and I am very optimistic about that kind of relationship and involving providers at an early stage at a strategic level as well as them looking at delivery mechanisms and contracting mechanisms because there are some highly energised discussions going on now. That is good news. However, that is the first effective relationship we have had for a year. We had a liaison group which met last February and really until we got round the table again in November or December, that is a very, very long time given what has been going on in the last year. I think in comparison with the cut-backs, with the rollovers, a very, very long time not to have any kind of sensible relationship purely for communication mechanisms. It was really very critical in 2005 but in fairness, and
there are some new players around at the top of Jobcentre Plus, I believe there is a genuine effort going on right now to rectify that so I am more optimistic for the rest of the year.

Q68 Mrs Humble: On that slightly more positive note then, my final question is do you think that DWP will meet its targets? Does anybody want to comment?

Mr Melvin: On this performance year I think it is at risk because there are only two months of the performance year left. Dave's point about a programme fit for purpose is really what I would urge them to be looking at now. I think ERA's point of view is that the moment for BOND has passed and we need something more radical than BOND and a programme that will allow not Jobcentre Plus to tell customers and providers what it is that they will do but it will allow customers and providers to choose what is best to get those disadvantaged individuals into the labour market.

Mr Bubb: I think there are two points. I am sure you are going to come back to the more radical reform of Jobcentre Plus later but I want to talk particularly about the procurement process itself and go to the fundamental problem—

Q69 Mrs Humble: Can I just interrupt you there because a colleague is going to ask you another question about that. If anybody wants to make any comment about ability to meet the target or changes would be very welcome. Dave, about the success or otherwise specifically on Ambition just by changing contracts you could improve outcomes and if you change the contracts you could get better quality outcomes. They are a nightmare as a patronising basis, which implies giving money to those who are engaging with us and we are going to be urged them to be looking at now. I think ERSA's understanding of it I think the clear message here, as potentially with other forms of provision as well which have been piloted over previous years, is that high initial cost programmes are just not affordable full stop, irrespective of the longer term gains to the Treasury as a whole and to individuals as a whole. What is not affordable is the short-term high costs full stop.

Q70 Miss Begg: It was just to pick up something you said, Dave, about the success or otherwise of Ambition. My question is specifically on Ambition Construction. One of the voluntary sector providers in Aberdeen ran a very successful Ambition Construction scheme with very impressive job entries and sustainable job entries. They had built up a good relationship with the local construction employers so they were surprised when the plug was pulled on Ambition Construction. Then they were told two months ago that the contract for Build and Train was going to be rounded up 18 months early. We went to Margaret Hodge and she rescinded the decisions. They were told that what they thought was an extremely valuable programme which had been working well (and it was drug addicts and all sorts that they had as their client group) was that it was not working anywhere else but you said that it was successful. Have you any evidence of how successful ambition because it certainly contradicts what we were getting back from the DWP and the reason why the plug was pulled locally.

Mr Simmonds: I would be surprised if they were saying that it was not being successful in job entry and sustainable job entry because that is one of the other aspects and really the whole nature of the design of Ambition is to make sure they are sustainable jobs and that the level of retention is a lot higher.

Q71 Miss Begg: That was our experience locally as well.

Mr Simmonds: So from my point of view and my understanding of it I think the clear message here, as potentially with other forms of provision as well which have been piloted over previous years, is that high initial cost programmes are just not affordable full stop, irrespective of the longer term gains to the Treasury as a whole and to individuals as a whole. What is not affordable is the short-term high costs full stop.

Q72 Greg Mulholland: Thanks to Joan for saving my question there and indeed can I ask you about the procurement process. This is to all of you and it is a very simple question and that is what should Jobcentre Plus be doing to improve its procurement process?

Mr Bubb: I suppose the good news is that the procurement process is so bad that even small changes would be very effective. Something like 18 months ago we conducted a commission of inquiry looking at contracting between the state and the third sector, including in that contracts in DWP, and what we found was that there were four areas in terms of those contracts where there was a problem. Risk is passed almost entirely to the voluntary sector organisation, the effective price is not based on full cost of recovery, there is excessive bureaucracy, and the contract is nearly always one year. Now what that means, quite interestingly, is that those contracts are not effective so it costs the taxpayer money. They are not efficient in terms of their outcomes and if you change the contracts you could get better quality outcomes. They are a nightmare for organisations to operate and also excessive bureaucracy has a cost back on the Civil Service. So just by changing contracts you could improve efficiency. And we gave that evidence to the Gershon Efficiency Review which included four specific recommendations for contracting with the voluntary sector covering those four areas. Interestingly, when DWP reported back to the Office of Government Commerce on their implementation of the Gershon recommendations in their first report they did not include anything at all in this area. They do now know that they have got to do something about their contracting arrangements and there is evidence now that they want to engage with us and indeed are engaging with us and we are going to be doing a piece of work looking at those contracts because if you can change the nature of contracting and put it on a commercial basis and not a patronising basis, which implies giving money to the
voluntary sector is a nice thing to do and they do nice things, but if you treat them as a professional body they have extremely good outcomes, cheaper than Jobcentre Plus, and with efficiency savings. I think it is a failure by DWP to understand that fundamentally that is the problem here. I want to also, if I may, just give you in terms of the base that we are working from some statistics that we collected from our members on DWP contracts. They are interesting. We asked them if the contracts were fairly priced; 69% said no. Do the contracts represent a fair sharing of risks? No: 92%. Do contracts involve excessive bureaucracy? Yes; 93%. Are contracts of a sufficient timescale? No, 71%. And then perhaps the sad story from this. Have you had to close some of your employment-related services—this is specifically to the voluntary sector—over the last two years? Yes, 66%. And then in terms of the contracting arrangements that you will all know is one of the problems, have you had to issue unplanned redundancy notices to staff following delays in funding? Yes, 22%. So I think our very strong message is that they have got to get their heads around the nature of contracting and change that, move to long-term contracts—when tackling long-term problems—to enable us to deliver a better service. If you change those contracts the opportunities to deliver better are enormous.

Q73 Greg Mulholland: Do any of you have an additional comment?

Mr Simmonds: I will just say briefly that to get contracting right you have got to be absolutely clear what you want to procure. That is certainly not clear at the moment. That is something that is going back to what I said about BOND and so forth. I suppose in the past there has been what I would describe as a general almost institutional lack of trust between Jobcentre Plus and its providers, and I suppose this goes back to the Employment Service as well. That lack of trust is exemplified in an almost over-specification of this is exactly what you must do at this time and I just think especially within the current labour market context, especially within the priority with which we agree (and that is the programmes and support must be more individually centred) then Jobcentre Plus needs to step back from that command and control mentality that at times in history I must say was necessary but now is not. They need to think of themselves more as, if you like, a market regulator and actually start thinking about who their supply chain is and not take them for granted. If a big company treated Jobcentre Plus customers in the same way there would be all hell to pay. If government as a whole wants to drive up the quality of the support that we are offering then Jobcentre Plus needs to be driving up the quality of its supply chain. We see very little evidence overall that it actually thinks let alone acts in that way.

Mr Hoyle: Could I add to that very briefly. Dave has just said pretty much the same thing. During the 1980s I was working for the then Employment Service and I was contracting with providers. I was buying community programmes and all kinds of things. During the 1990s I was a TEC Chief Executive and I was buying training from providers. I now represent them and I have to say if I knew in the 1980s and the 1990s what I know now I would have treated them rather differently because you are absolutely right that the culture of which I was a part was very much “these people will do what they are told; we will give them a contract and they will deliver”. The idea that they had any capacity to be involved in the strategic thinking or indeed could be trusted was somewhat foreign. That is just incorrect thinking. That is not my current experience of providers including and especially those in the voluntary sector which are incredibly professional, if I could pick up the word that Stephen used. ALP represents about 450 providers. We call ourselves independent providers, although we have some colleges of further education, and people immediately assume that means private sector. One-third of my members are private sector; two-thirds are not for profit, many in the voluntary sector. I will tell you now they are as commercial and as hard-headed as anyone in the private sector. I think Jobcentre Plus and other funding bodies have yet to realise the strength of those organisations and that is they should be using them in partnership and not in a directive way. I think there is a big lesson there and I think that really will help the capacity for Jobcentre Plus to make savings by expecting more and getting more from its provider base.

Mr Melvin: Two brief points. The Employment Service is a very good example of performance which is 10% better than the New Deal on the basis of DWP’s evaluation. Has it been expanded into other areas as part of its efficiency review? No, they are in exactly the same place they were five years ago, so why are we not using what we are learning to make savings? Secondly in terms of capacity, capacity has dropped and capacity is essentially a reflection of how much Jobcentre Plus procures. If they procure less, which is what has happened in the last 12 months, then there will be fewer providers around. That is what Dave’s and Stephen’s statistics show. If more of their spend is put out into the market capacity I believe quality will rise.

Q74 Greg Mulholland: Thank you for that. That is extremely revealing and something that I think very much needs to be picked up, particularly the issue of trust that you mentioned there. On a specific issue in terms of procurement, what do you think the appropriate balance is between large and small providers? Do you think that the DWP’s Prime Contractor approach is the right way to achieve this?

Mr Hoyle: Could I jump in on this one. I think trying to evaluate the likelihood of good delivery on size is far too simplistic. I do happen to think, although I represent an awful lot of medium and small providers so I have to watch my words, that 2,300 providers in the infrastructure is too many. That just does not sound right. That is a figure that has already been quoted by one of your colleagues this morning. So I am absolutely sure that a level of rationalisation would be helpful but we need to be very, very careful that we do not then lose very high-quality, specialist, focused niche market and local
providers. So there is not a simple answer to your question. I really do think that we can move and make better use of the larger providers, but we need to do it in a way that makes sure that they are dealing and working with and collaborating with specialist providers and not putting them under threat, or else you will find that the infrastructure will veer off and you will lose expertise. It is not an easy answer there. I think we can go a bit further down that particular track. In terms of prime providers, a suggestion that I made to Jobcentre Plus before Christmas because we were getting very very worried that in some of the districts “prime” provider was being interpreted as “sole” provider. I think the example I got was Kent with 40 or 50 providers looking for a sole provider. I know we are moving to the second stage of that but I have to tell you if it finishes up like that—and I do not know Kent—I would still be arrogant enough to say that that will be a disaster. No way. If you go to the idea of prime providers, a series of larger umbrella organisations with smaller ones with similar arrangements, which also gives some choice and contestability (to use an interesting term used elsewhere in government circles) and give some variety, I would have thought that the idea of prime providers in an area, not sole provider in an area, has got somewhere to go. I am rather hoping that is the way the current process will work out. I am not entirely confident that we are going to finish up there just yet.

Mr Melvin: I think there will be a real opportunity lost if the monopoly of the state provision simply becomes the monopoly of provider provision. There needs to be a choice of providers. I think in terms of the prime provider contract what it does not address is the over-specification. If you had to bid for the contract there are thousands of pages you have to wade through in order to put a tender in which tell you how many officers you needed, what opening hours you should work, what qualifications your trainers have to have, it is bureaucracy gone mad, to be frank, and really Jobcentre Plus—and I think they are coming round to this and I really hope they are—ought to be providing outcomes of sustainable jobs and allowing the provider base to put in place what is effective for individuals to deliver that.

Mr Simmonds: Finally, I would just add going back to getting the DWP and Jobcentre Plus to think more as market regulators because if you were thinking in that way then the answer would probably vary over time. I think experience in other countries has demonstrated that—if you take Australia, there has been a massive reduction in the number of organisations delivering services over the years, there is a smaller number of very large organisations, and they will say they are doing very well but in some parts of Australia I think they would be rather concerned because there are local monopolies and offices have been shut and so forth—in that situation more competition needs to be brought back in. It is more of a way of thinking that needs to be introduced rather than thinking we have got a silver bullet here, let’s just get in half a dozen big providers to deliver across the country and that solves the problem and produces efficiency gains. My concern is the shift to prime contractors is driven by a rather simplistic “2,000 is too many, let us cut it down” without an awful lot of other strategic and market thinking around it.

Q75 Michael Jabez Foster: Could I just ask one short question in addition. Would there be any room for payment by results in contracting? Would you encourage and support that if that is the way forward?

Mr Melvin: Certainly from ERSA’s point of view all of our members are signed up to payment on outcomes. That is essentially the reason the organisation was created to try and push forward the argument that you will get a more cost effective and higher performing service if Jobcentre Plus contracts on the basis of the main sustainable jobs.

Mr Bubb: In the main at the moment it is based on processes for contracting and reporting is process-driven not outcome-driven.

Mr Hoyle: Can I come in quickly because it is the one thing where we disagree.

Q76 Chairman: We really do need to move on.

Mr Hoyle: There is a difference of opinion on that issue.

Q77 Michael Jabez Foster: My real question was about personal advisers. I think we all see them as key and central to moving people through the system. It is noted that in some of your representations, particularly that from the Employment Related Services Association, you said that the “personal advisers faced a number of institutional and practical barriers to increasing productivity which is not applied to their independent sector counterparts.” Are you really suggesting that they should be taken out of the public sector and put into the private sector? Is that what is behind that suggestion?

Mr Melvin: Our view is that they should be contested. In employment zones the personal advisers are the employees of the independent organisations that deliver employment zones whether they be in the private sector or the voluntary sector. I think the challenge for improving productivity is around gaining services to bring to bear on individuals who are increasingly more demanding in their journey towards the labour market. ERSA’s opinion is that if you look at what is necessary to get someone on incapacity benefit firstly to join the programme, so you have to go out in the community, knock on doors and bring them into a programme which they may never hear of otherwise, then to build up a degree of confidence and trust in them, which may take a matter of some months, then provide interventions which might be around training or debt advice or around occupational health and rehabilitation, the best place to bridge those services is certainly not in a Jobcentre Plus building. It is in an organisation which is located in the community which it serves, be it private or voluntary sector. I think Jobcentre Plus still has a role in all of that but their advisers, as good
as they may be and as well trained as they are, will really not be able to perform as well if what they are doing is moving their clients between one intervention and another. The clients will simply not take part. They will get fed up with it. They will stop attending and as we get into a harder-to-help group of people that experience will become greater. Really they need to be in one organisation which can bring in those services on one site and I think that needs to be in the independent sector.

Q78 Michael Jabez Foster: There is good satisfaction at the moment for personal advisers if you take surveys of customers. They feel comfortable because of the benefits advice that is alongside and so on. How would you deal with that? Would there not be a lot more hostility if they were being abandoned to the private sector?

Mr Melvin: It is not just private sector, it is a voluntary sector issue as well and yes it maybe that the best way to do it is for the state to be able to contest against the independent sector. In terms of benefits advice then the independent sector can do that as well. They have access to the same databases and many of us already do that. I am not talking about what we are doing now; I am talking about what we need to achieve in the future. 70% of single parents into jobs, 80% economic activity rate in the UK. It needs a step change and a change of framework in which we deliver the public employment service and that is what I am trying to describe.

Q79 Mrs Humble: Can I just come in on the back of that because, Stephen, you were quite right you were going to be asked a question about the future role of Jobcentre Plus, however we have run out of time. Given what Chris has said also, certainly I and I am sure colleagues would find it useful if you could let us have some ideas in writing given that there is speculation about whether or not Jobcentre Plus should redefine its role to concentrate on benefit payment and processing and management of contracts and then outside organisation actually deliver on employment related services. So we would find it quite useful if you could give us something in writing on that.*

Mr Bubb: That is exactly what we are asking for.

Chairman: Can I thank you very much for your attendance today. The arguments are not new but the solutions are different. Thank you very much, we do appreciate it.

* See p
Wednesday 25 January 2006

Members present:

Mr Terry Rooney, in the Chair

Miss Anne Begg
Harry Cohen
Mr Philip Dunne
Natascha Engel
Michael Jabez Foster

Justine Greening
Mrs Joan Humble
Greg Mulholland
John Penrose
Jenny Willott

Witnesses: Mr Mark Serwotka, General Secretary of PCS, Ms Jane Aitchison, PCS DWP Group President, and Mr Keith Wylie, PCS DWP Group Secretary, gave evidence.

Q80 Chairman: Good morning to you. Welcome to our second evidence session on the efficiency savings of the PCS. It is good of you to join us. We look forward to a good session this morning. I understand you want to make an opening statement.

Mr Serwotka: Yes, thank you. We hope that you have had the chance to consider our written evidence in December and particularly the evidence we submitted on Monday of this week. We take great pride in seeking to deliver first-class services to the people of this country and so do our members. Some of the most vulnerable people depend on services administered by Jobcentre Plus. We believe the evidence we submitted on 23 January, albeit anecdotal, covers such a large swathe of the country that it confirms our view that this is a Department that is in crisis and it is a Department that, by operating a strict headcount reduction regime irrespective of what the consequences are on service delivery, is affecting not just members of the public but also the morale of its own dedicated workforce.

We would point you to the DWP's own staff survey and the response that they got. We wanted to make one thing absolutely clear today and that is that we regret that industrial action is taking place in the next two days, but in all our efforts to resolve this dispute, including meetings with the Minister and senior management, our position has not been to say there must be a certain amount of staff irrespective of changes in the DWP but to accept that modernization can affect staff numbers and to ask the Department to pause on its headcount reduction while they work jointly with their staff and their unions to assess the effects on the headcount reductions and the new method of service delivery to ensure that in all parts of the country there are enough people in place to deliver first-class services to the public. As recently as two weeks ago we asked them to pause those reductions whilst this Select Committee was deliberating and considering its view on the effect of the efficiency changes and that was rejected. We believe that our approach, which is ensuring the right people in the right place to deliver services, has to be the correct one. The evidence we have put forward to the Committee tells us that in many parts of the country services have deteriorated. Statistics made available to us this morning tell us that only one in three cases is going through the computer system from contact centre to processing centre properly and that means two-thirds are being operated under contingency measures, which in our view explains why 20% of the staff are now working over nine hours overtime a week, at great cost to the taxpayer and the equivalent of over 5,000 permanent jobs. Our view is that we should take stock, we should pause and look at the service that is being delivered and ensure we have the right amount of people in the right place and not hurtle along regardless of the consequences just to meet predetermined efficiency savings. Thank you.

Q81 Chairman: In your original memorandum you refer to “structural deficiencies in the [efficiency savings] programme”. Can you expand on what you see those deficiencies as being?

Mr Wylie: We explained to the Government at the start that we thought the modernization programme had significant problems. One of those deficiencies is the expectation that almost all of our customers could access the service through call centres, the Internet or via email. Many of our customers still want and need to go into a local office. One of the structural deficiencies we identified was the move towards, what we are arguing for now is not that the model be changed but that it is adequately resourced and that there is enough staff to run the model that the Government is planning on reducing. The structural deficiencies we identified was the move away from a local service delivery model to a centralized and call centre-based model. Whilst the Government is carrying on with that model, we do not think that it is flawed. Given that is the model we are moving towards, what we are arguing for now is not that the model be changed but that it is adequately resourced and that there is enough staff to run the model that the Government is planning on reducing.

Q82 Chairman: Are you saying that you see the structural deficiencies as there just not being enough staff?

Mr Wylie: The structural deficiencies is the idea that you can get everybody to access benefits by picking up the phone, whereas many of the customers that we deal with on a day-to-day basis want to go into a local office and see a human being and speak to somebody about their needs. We do not think that for every single case you can expect people to deal with a call centre and deal with a centralized processing system. We think there should be a local service.

Q83 Chairman: Do you see any aspects of the programme in a positive light? Do you see any of it as being of benefit to staff or customers?
Mr Wylie: We do. There are some improvements that modernization has brought about. A good example is that we no longer have vast numbers of clerical staff writing out giros for customers; it is all automated now, the payments go straight into the customers’ bank accounts and that saves an awful lot of clerical, relatively boring and repetitive work. The problem we have is that the CMS2 computer system that was introduced to get away from the need for repetitive clerical work is simply not working and in large numbers of call centres we are moving away from using CMS2 and back to getting customers filling in forms and sending them back to us. On 16 January the Middlesbrough Call Centre changed from CMS2 back to clerical working and this week the Bootle Call Centre closed down CMS2 and it has gone back to clerical working.

Q84 Chairman: I thought they were all on CMS3 now.
Mr Wylie: CMS2 does not work. I do not know about CMS3.

Q85 Chairman: You also say, probably understandably from your point of view, that staff morale has “plummeted”. Is this nationwide, is it in every office or is it concentrated in certain areas?
Mr Wylie: In some parts of the country and in some parts of the business it is worse than others. Perhaps I can draw your attention to the staff survey which DWP management conducted and published earlier this year. That survey showed that less than a third of the staff dealing with DWP and Jobcentre Plus are satisfied with their job, that less than a third of them felt proud to be part of the DWP and only 17% of them felt valued. Yet the anecdotal evidence we have is that the uncertainty that is being created by the refusal of management to give us a no compulsory redundancy guarantee and the refusal of management to acknowledge that there is a crisis in terms of the staffing levels across Jobcentre Plus and the DWP are leading to massive effects on the morale of the staff. Most of our members simply want to have enough time to provide a good quality service to the public but they are not being given that time, they are not being given the resource to do that and that is affecting morale quite drastically.

Q86 Chairman: What impact do you think there has been on error rates?
Mr Wylie: We have not got any statistical evidence on error rates, but the anecdotal evidence is that they are increasing. If there are not enough staff to check that the benefits that are being applied for are being applied for legitimately then there are bound to be more mistakes than if we had more staff to do it.
Mr Serwotka: There has been a 62% increase in violent assaults in job centres which clearly does not do much for staff morale.

Q87 Chairman: Can you just clarify what that 62% increase is on and from when?
Mr Serwotka: That is in the last 12 months and it is based on departmental statistics. Generally we take the view that people work in public service to make a difference, they care about what they do. It is incredibly demoralizing if you feel you work in an organisation that is so straitjacketed now that the emphasis is on keeping the public out of the offices, you cannot help to give them advice, you have to tell them to use a telephone. Things have become so inflexible now that people do not feel they can make a difference. It is a real contrast to the 20 years I spent in the Benefits Agency and no doubt Jane feels the same. Back then you felt you had the flexibility to deal with all circumstances to make a difference, which was the original concept of one service under one roof being able to help everybody, but now it seems increasingly as if it is about putting people off and sending them away.

Q88 Mrs Humble: In your supplementary note to us you talked about the new managing attendance regime. Can you tell us a little about how that is affecting staff morale and whether or not it is masking true levels of staff sickness?
Ms Aitchison: I think that is a very important point. Part of the evidence has been that morale was improving and staff attendance was improving, but that is because a very harsh regime has been introduced on managing attendance whereby staff are receiving oral warnings which leads them on to the process of dismissal after only having eight days of sickness in any 12-month period and this is often before referral to the Occupational Health Service to see if there is an underlying health condition. An oral warning is given and can be rescinded if advice comes back saying that they have an underlying health condition which would be covered under the DDA. Our staff feel their jobs are under threat and it is not because of anything that they have done but because of something that may befall them. There is already an enormous feeling of uncertainty because of the lack of a no compulsory redundancy guarantee. None of us knows what our health might be in the next year and so there is a fear that you could be sacked. It was very unusual to be sacked because of sickness in previous times. In the last year 64 staff have been sacked per month. That is not an enormous figure but it is a significant figure. Most people now will know someone who has been sacked. This is not someone who has been off sick for four years or something and they have not seen them for years and they have been given medical retirement, this is in cases sometimes where people have had a couple of fortnights off with something like flu or a virus and then they have ended up in dismissal.

Q89 Michael Jabez Foster: You talk in your memorandum about the importance of contact centres. You said that the only reason they are now improving their performance is because of the clerical work allowance. Undoubtedly that was true when CMS2 was in place. Has that not changed now?
Mr Wylie: No, we do not think it has. The evidence we have is that increasingly the call centre managers are being told that if they feel CMS2 is not working properly they can effectively shut it down and revert
to clerical processing. We know that on 16 January the Middlesbrough customer service centre reverted to clerical processing because it is quicker to do it on paper than use CMS2. Bootle closed down the computer system and reverted to clerical processing. We spoke to management in the summer about CMS2 and we met in June this year with the then Chief Executive David Anderson and urged him to close down CMS completely until it was working properly and then re-introduce it. What he did after that meeting was allow local managers to make the decision whether they carried on using it or not. What we are seeing happening now is the managers of the call centres deciding that they can do the work more effectively without computers, by using the clerical processes, ie sending out forms to customers and asking them to fill them in and send them back in, which is what we were doing 20 years ago.

Q90 Michael Jabez Foster: The evidence we have been given is that that does happen in the majority of centres, but in the majority of centres most of the work is being done effectively through CMS.

Ms Aitchison: Based on today’s statistics, at the moment only one in three of what they call the data push transfers, which is when the claim is taken on the computer in the contact centre and then transferred through the computer to the job centre, is occurring successfully from the contact centres that are operating the CMS system, so two out of three are not occurring successfully. That would mean that they do not have any clerical records.

Q91 Chairman: What do you mean by successfully?

Ms Aitchison: It will come up as a claim in the job centre, but if they cannot see it then it is not a successful transfer.

Q92 Chairman: So the electronic transfer is not happening?

Ms Aitchison: Yes. They lose it. What they have to do is re-build the claim, which basically involves phoning the customer back and going through the process again.

Q93 Michael Jabez Foster: Are you saying that two out of three are now failing to make it?

Ms Aitchison: Yes.

Q94 Michael Jabez Foster: Is that overall?

Ms Aitchison: Yes. That is based on the statistics we have been given this morning.

Q95 Michael Jabez Foster: Of all claims?

Ms Aitchison: Of all claims using the computer system. A lot of claims have been taken through the clerical system now.

Q96 Michael Jabez Foster: But the majority are going through the CMS system, are they not?

Ms Aitchison: I do not think the majority are going through the clerical system.

Mr Serwotka: The significance of this is that it shows the contingency measures which have led to an improvement are not sustainable in the long term because the Department’s reductions in staff, which are continuing on a daily basis, up to 1,000 a month are leaving and not being replaced, is based on the computers that work and we think that supports the point that a responsible operation at this point would say that the extent of the contingency measures and the massive amount of overtime working of the statistics I gave in my opening remarks are costing a lot of money. If there are teething problems, if there are problems that can be resolved, what is wrong with pausing on reductions now until it gets it right? That is why we think our position is quite flexible, which is that if all these things work over the long term then fine, but they clearly are not working at the moment and yet the reductions in staff are still taking place.

Q97 Michael Jabez Foster: Last week we were given evidence from Richard Exello of the TUC which said, “Perhaps one hopeful sign is at the end of last year a new version of CMS was brought in” which I think is CMS3—“and this is the first time since I have been doing this job that there has been a major new version of a DWP computer system that I have not had masses of complaints about from staff and claimants; so if we are looking for good news, that may be a negative sign of a problem that has not happened.” The suggestion was that CMS3 should be given an opportunity. Have you given it that opportunity to see if it works?

Mr Wylie: I think we are saying that when you introduce new computer systems you need staff that are experienced and skilled in using those systems to get the system to work properly. What we are seeing happen in Jobcentre Plus is new computer systems are being introduced, but the staff that would normally be there to operate them are leaving the organisation at a rate that is out of control. As Mark said, we are losing something in the region of just under 1,000 staff a month out of DWP as a whole and that has resulted in the last 15–16 months in 15,000 staff not being replaced. We cannot manage the introduction of new systems and the modernization programme on the resources that we have got, which is why we have repeatedly put it to national management as late as two weeks ago when we met the HR Director of DWP that there should be a moratorium, that they should pause on the job cuts programme to allow the new systems to come into place properly, to get them working and then a revisiting of the efficiency programme.

Mr Serwotka: We met with the Secretary of State and we pointed out that they are ahead of the game in terms of job cuts. They have made more job cuts than they were scheduled to at this point and so a pause would fit entirely within them and they would still make their 2008 target, but the answer we were given was, “I have to deliver £1 billion-worth of savings per year and they will be delivered”. Then I said, “You may end up delivering them, but surely when you are ahead of your targets you can sit down jointly and take the views of voluntary organisations, charities, community groups and the staff”, but the answer was no. We felt that it was further evidence that we are on a course and come
hell or high water this is going to happen, whereas our approach is that surely we should be able to take stock. We think the evidence that we are submitting tell us that there are major problems and people should take account of them.

**John Penrose:** Given the fact that this two-thirds figure is brand new today and the fact that it is quite opposed to some of the other evidence we have already had, I wonder if we could get more details submitted in writing perhaps giving a break down between places running CMS2 and CMS3 to see if there is a difference in performance there because that may resolve the apparent difference. Thank you.

**Q98 Mrs Humble:** Of the staff who leave, this figure that you are quoting of 1,000 a month, have you got a break down of how many of those are existing staff of the Department, people who have been employed for a while and who may have been redeployed from processing work to the new contact centres and how many are newly recruited staff? Do you have any break down of what those figures are?

**Ms Aitchison:** We have asked for some exit work to take place and that has not yet happened. We understand that the turnover figures are increasing. There has been an increase on previous years. We have always had a high-ish turnover. The turnover used to be concentrated in staff that had been in the Department for less than two years, whereas all of our anecdotal evidence is that staff that are very highly trained and experienced are now leaving. We get quite a lot of letters from staff. We get some quite sad letters from staff who have worked in the Department for a number of years and done quite specialist work. We had a very sad letter recently from a disability employment adviser who had worked for 19 years and then left because she felt her work was undervalued and she was not able to give the service that she wanted to give and she had been able to give over a long period. We have had quite a lot of evidence that staff feel forced out because they are no longer getting job satisfaction and they feel they are no longer making a difference, some of whom do not even have other jobs to go to.

**Q99 Mrs Humble:** Can you tell us a little about the experience of DWP staff that have been redeployed into the contact centres and the sort of training that they receive for doing the sort of work that they do in contact centres?

**Mr Wylie:** The main difference that members who are working in job centres find when they are transferred or redeployed to customer contact centres is the regime. Many of our members have described it to us as an oppressive regime. The staff go into work in the morning, they are given set times to be on the phones, they have to sit with their headphones on in a little cubical, with their computer screen in front of them, their break times are predetermined, their lunch times are predetermined and their finishing times are predetermined. There is very little opportunity for them to chat to colleagues about customers or about the problems that they are facing. They follow a very strict script on the screen that they are working from. In some call centres we even hear stories of people having to put their hand up if they want to go to the toilet because they have to be in front of the screen for so many hours a day and they have to deliver so many phone calls an hour. The main difference our staff see in moving from front-line work to contact centre work is a regime that is described by many people as oppressive. There is a five week retraining programme for existing staff transferring into contact centres and a six week training programme for new staff moving into contact centres, but most of that training is provided in the e-learning environment. One of the criticisms that we have heard repeatedly from a number of our members is that unless you are suited to that sort of learning it does not work particularly well. The training is not provided in a classroom environment where they can share experiences with more experienced colleagues, it is simply done by sitting in front of a computer and the programme tells you how you should operate the system.

**Q100 Mrs Humble:** Is that e-learning programme on how to operate the system then focused on the script that they have to follow or are they given a wider training so that if somebody asks them a question over the phone which is off script they can then deal with it?

**Mr Wylie:** If the individual has already worked in a job centre then they would be partly prepared for the off script questions because they will have dealt with customers beforehand. If it is a new member of staff then they will not have that past experience, but they are not taught it as part of the e-learning process, they are just taught how to go through the script, how to tick the correct boxes, how to answer the questions that the computer asks it to ask the customer, so there are failings in that. One of the other problems that we have is that the learning and development division of DWP which provides training for staff has suffered the same level of cuts as the rest of the organisation, so there are fewer qualified, experienced trainers in DWP than there were two or three years ago.

**Ms Aitchison:** A new member of staff would only get one additional week’s training, which does not make up for a lack of knowledge of general benefits. There is a “computer says no” element to this problem, which is that the person who is inputting the data is very much reliant on what the computer comes up with. An experienced person would know whether or not somebody would qualify for the benefit and if the computer was saying they did not qualify they would be able to say, “I must have put something in wrong here because you should qualify,” and they can key in the information and get the information out. We have had a number of examples brought to our attention where customers have been advised that they have not qualified for a benefit when in actual fact they have, it is a keying in problem and someone who was fully trained in benefits would have been able to identify that.
Mr Serwotka: I hope you will consider the demoralizing effect on people. I know we often hear about how terrible the system used to be where you took a ticket and you had to work all day. I worked in offices that were like that, but there was a degree of initiative and you were there to deal with people at the point they came in whatever the problem and people had to multi-task and do what they could. The demoralizing effect of these public servants essentially being told to get rid of people out of the office, having to tell them to use a phone or telling them there is a call box around the corner is very difficult for people who believe they are there ultimately to serve people who in many cases are in need.

Q101 Miss Begg: Obviously key to a lot of the work of Jobcentre Plus is the role of the personal adviser. Do you accept that there are differences in the qualities and the number of clients seen by the different personal advisers and that Jobcentre Plus is quite right to try and ensure that there is equality of provision across all job centres and all professional advisers?

Ms Aitchison: We are very keen that our personal advisers provide a quality service. We recognise that there are all different types of customers that come into the office and all different types of personal advisers and they all have different approaches. Management has brought in what is called the “RAG tool”, which is the red, amber, green system, apparently to try and bring in the same level of service, but in actual fact we do not believe that a one-size-fits-all service is appropriate. We have customers who have very different needs. The kind of work that we would do with someone who was long-term unemployed or who had some sort of special needs would be very different to someone who has just come in after having signed off from one job and is looking for another job and is totally job ready. The system that has been brought in of red, amber, green, giving points for getting people into work and judging our advisers on how many points they have got we think is too crude. It is too crude when you get the same number of points for placing someone into a temporary job as you do for placing someone into a permanent job. The points differential is very small between placing someone who is totally job ready, who had a job yesterday and someone who has been long-term unemployed. We think it is humiliating to put our officers into what they call “club zero” and publish that list if you have not placed someone into a job. We understand that this system was going to come along with training in order to standardize the level of adviser work that was being performed, but we have not seen any evidence of remedial work, training and so on for our officers who have been placed in “club zero”.

Q102 Miss Begg: Do personal advisers have a mixed caseload of people who are newly unemployed and long-term unemployed? My understanding was that you got a personal adviser who specialized in disability or long-term unemployment.

Ms Aitchison: We have disability employment advisers, but personal advisers deal with people who come in, they are not sifted and so you have three people who are long-term unemployed and then you have 20 people who are not. You deal with the person who comes in, you get their name and then they are on your caseload. Some personal advisers gravitate towards particular groups. Some personal advisers feel they have a particular skill. For example, we have a smaller number of black and ethnic minority personal advisers than we would want and often they will gravitate towards black and ethnic minority customers. That may mean that they spend longer getting those customers into work because it is more difficult sometimes to get those customers into work, but they will then be penalized for that under this system.

Q103 Miss Begg: What you are saying is that you are not against staff appraisal, you are just saying that the red, amber, green system is too crude and gives points regardless of the difficulty of the job and therefore does not reflect the true worth of each individual personal adviser?

Ms Aitchison: We are also against using humiliation as a method of appraisal. We feel that if any training needs are identified they should be dealt with.

Q104 Miss Begg: Jobcentre Plus has said that a lot of the clerical work that personal advisers had to do previously has been taken away from them and new administrative assistants have been put in place. Is that the case? Is that working?

Ms Aitchison: Again, we have not got any evidence of that. Last year the Department said that the admin support could be better and that they were going to work towards that, but we have not had any proposals on that.

Q105 Miss Begg: So nobody has been recruited to do those jobs?

Ms Aitchison: Not as far as we are aware, no.

Q106 Justine Greening: You mentioned this “club zero” and it does sound a little bit like it is straight out of The Office in terms of quite a demoralizing concept to use to manage staff. For those people who do get points, do points mean prizes? Are there financial incentives for people to perform better? Is that something that you would like to see, rewards for staff who are delivering, assuming that there was some sort of appraisal system that looked at the quality as well as the quantity of what people were doing?

Ms Aitchison: No, there are not any carrots, just sticks. We feel that our staff are not donkeys and that it is not an appropriate way to treat our staff. Our staff are getting paid to do their job and we are happy and content with that system of reward. We feel that staff simply want to do the best job they can and they want to be valued and allowed to do the best job that they can rather than being told they cannot
Mr Serwotka: We are in favour of people having the opportunity to develop and being appraised but treated as individuals on their merits. Unfortunately in this area as well the Department’s record of straitjacketing predetermined quotas is not a way to encourage the staff. We think all the flexibilities have gone. Everything must be done in the same way, interview times must be reduced and they are not giving the personal advisers the time to develop that relationship with the customer but making them do it all quicker and that is demoralizing and it comes across in the staff survey answers.

Q107 Harry Cohen: Earlier this week there was a leaked memo that I think probably your union got hold of. Can you give us your take on what you think that is all about?

Mr Serwotka: I have it here and it is extraordinarily worrying.

Chairman: I do not really want you to go through that because it is not really connected with what we are doing. If we have time we will come back to that if you do not mind.

Q108 Mr Dunne: I was very struck in your evidence to see that you think you have discovered evidence of even more offices than were planned to be closed, I think it was 124 over and above the planned closures and 577 by 2008. Is it geographically orientated? Is there a size criterion?

Mr Serwotka: We have been given evidence that as well as the planned closure of 577 offices by the end of 2008 plans were being developed within Jobcentre Plus to close a further 124 mostly smaller, rural offices and that was part of a longer-term efficiency savings programme. Those figures have not been given to us officially, they were told to us off the record, but we have no reason to disbelieve them and the Department has not taken the opportunity to deny that those plans have been drawn up.

Q109 Mr Dunne: 10 days ago in my constituency one of the Jobcentre Plus centres closed in Ludlow; it employed 12 people. Three people are being re-employed in a space in the library and a jobs bus is coming through one day a week. Do you think that that staffing complement can deliver the kind of service in the new regime that was provided previously?

Mr Wylie: No, we do not and that is why we are arguing that the Department should have time to reflect on the staffing levels across Jobcentre Plus and it should give us the opportunity to build some sort of mechanism where we can, together with unemployed workers and constituency MPs, establish what we think is the appropriate level of service for that area and the appropriate number of staff that we need to deliver it.

Chairman: What you have said this morning has been very useful for our inquiry and the written evidence you submitted. In terms of the memo you alluded to, if you want to submit that, we will circulate it and take it into account when we do our final report.

Witnesses: Rt Hon Margaret Hodge, a Member of the House, Minister of State, Department for Work and Pensions, and Ms Lesley Strathie, Chief Executive, Jobcentre Plus, gave evidence.

Chairman: Good morning and welcome.

Q110 Greg Mulholland: Do you accept that in hindsight trying to move Jobcentre Plus through such a fundamental programme of change at the same time as trying to reduce headcount was a mistake?

Margaret Hodge: I think we have set ourselves a very considerable challenge in the reorganization process that we have undertaken. Do the two go together? Well, yes is the answer because if you are undertaking an organisational change to try and improve efficiency, to get better customer focus in your organisation, to bring together employment advice and benefit processing and consideration of benefit applications, then clearly you look at your organisational structure and if you can get efficiency gains out of it the two do go together. It is not wrong that we tackled that. It is a big challenge. There has been a lot going on. Some things have not gone as smoothly as I think Lesley and I would have wanted.

I am convinced that at the end of this process of
reorganization and change we will have a better service for our customer, with greater efficiency and value for money for the taxpayer.

Ms Strachie: I would endorse everything the Minister has said including that not everything has gone right, but we are delivering the efficiency programme on the back of a huge investment in Jobcentre Plus and in the Department.

Q111 Greg Mulholland: We have had written evidence as well as oral evidence this morning from the Public and Commercial Services Union. The evidence that they have provided us with talks about a lot of overtime, of leave being questioned if not cancelled and of temporary staff having been taken on, notably in Glasgow, in very large numbers. We had a statement from the Child Poverty Action Group last week comparing what is going on with perhaps what happened in the financial sector and the telecoms sector. The quote from Kate Green of that organisation says, “If anything, you need more people to implement and bed down the change and only after can you both begin to redeploy to improve service.” The word that was used this morning was a Department in crisis. In light of that very substantial body of evidence, why on earth are you pursuing a predetermined headcount reduction in light of the situation in Jobcentre Plus at the moment?

Margaret Hodge: I do not know what evidence you are referring to. You might be more specific than you are. What I look at is the performance of the organisation in relation to the targets we set it. If I look at the most recent performance data which I have on Jobcentre Plus in terms of its business delivery, it is what we are doing about fraud and error, how we are performing on customer service, how we are performing in relation to what employers think of the service we offer, what we are doing on payment modernization, the outcomes are good. We are reducing staff, we are doing that carefully and slowly and effectively and we are getting more staff focused on the customer. The whole thrust of this is to transform the organisation, to bring in IT processes, to get the staff efficiencies on the backroom processes and then to transfer more staff onto the front line, whether it is in contact centres, talking to people when they make benefit applications or whether it is financial advisers in Jobcentre Plus offices dealing with benefit applicants on a one-to-one with that. At various points you will take on extra staff. For example, I had long discussions with Lesley before Christmas where she talked to me about the plans that Jobcentre Plus had to deal with a sudden influx of applicants that we always get post-Christmas. If things do not go as smoothly as we would like—and some things have not, the contact centres have had bedding down problems—then you bring in extra staff temporarily to ensure that you can provide the service you want to customers. Overtime is a January issue. January is a time when we do get more applicants. The most commonsense way of dealing with that is to have more overtime. I would like to see the details of what precisely you are saying. If you undertake a reorganization, which we have done, we are seeking efficiencies, you do not do it by necessarily bringing in more staff. That seems to me a very odd hypothesis to put before me.

Q112 Greg Mulholland: Do you do it by having a fixed number of staff in terms of the headcount reduction? Let me quote you some of the evidence. Pembroke Dock Contact Centre has worked 40 of the last 52 Saturdays as overtime; Middlesbrough Contact Centre has been operating a full overtime system since 3 January; overtime has been offered at the Hounslow job centre to try and deal with the new claims appointments and meet the four day targets, and in Glasgow temporary staff are being recruited despite headcount plans to reduce staffing levels from 3,000 to 2,008. The evidence is all there. I will happily supply it to the Minister. In light of this evidence and the situation in Jobcentre Plus, which you do not seem to be prepared to acknowledge, will you review the headcount reduction that is currently predetermined, as the PCS has asked, and pause that process until there have been appropriate discussions?

Margaret Hodge: What I will not do is negotiate through you with the PCS.

Q113 Greg Mulholland: So that is a no, is it? It was a yes or no question and answer and so I will take that as a no.

Margaret Hodge: I cannot think of any sensible employer that would use somebody as a go-between between themselves and their employee.

Q114 Greg Mulholland: Minister, this is a Select Committee. I am allowed to ask the question. It is a yes or no question and a yes or no answer would suffice. I think we can take that as a politician’s answer of no.

Margaret Hodge: Maybe you could give me the chance to reply. Perhaps you are embarrassed by your question. The way in which you framed that question suggested to me that you were acting on behalf of the PCS to negotiate with us. It is inappropriate for us to negotiate with the PCS in the form of a Select Committee.

Greg Mulholland: I am doing what every Member has the right to do on a Select Committee.

Q115 Chairman: Does the answer help anybody if we are talking over each other. Can we allow the question to be asked and the answer to be given, please, both of you?

Margaret Hodge: I did want Lesley to come in on the other issues that were raised.

Ms Strachie: I do recognise some of the things that you have said around overtime working and around fixed-term appointments and temporary staff. I do not agree with the analysis drawn from those figures. Saturday working is what we deliver in contact centres, that is part of the service we deliver to our customers and it is part of the service we deliver to employers. We have been delivering on Saturdays since we first introduced our job broking service by telephone. Fixed term appointments we are using while we are managing our efficiency challenge and
while we are bringing in things that will allow us to do a better service with fewer people. We are doing this as a DWP challenge. The Department is the employer. We are modernizing the whole Department. It would be irresponsible to make staff redundant in one part of the Department and at the same time be recruiting permanent staff in another. We are trying to behave as a good employer and where we have gaps, we have to address those with fixed-term appointments until staff are freed up as part of the modernization programme for the Department. I recognise we have some temporary staff and I recognise that we have some overtime working which is voluntary and hits the peaks in traffic. We try to smooth out all the peaks in our business volumes, but we cannot control the labour market and January is when we have the highest volume of claims and activity for us in any year and has been for a very, very long time. We have planned very hard in November and December to make sure that the improvements we have brought about in our front end, particularly in our contact centres did not fall backwards during that peak and overtime working is part of how we have addressed that. That is voluntary for our people.

**Q116 Justine Greening:** I think the crux of the issue is that clearly when you are trying to drastically reduce the headcount in an organisation it puts strains on any business and that can often result in issues around quality of delivery of the service to customers. If it comes to the crunch and you have to make a call between achieving your headcount targets and delivering quality to the customer, which would you choose?

**Margaret Hodge:** The whole purpose of the reorganization is to improve the quality of the service to the customer and that will always be the priority. Let us take the contact centres as an example. The answering of telephone calls was dreadful in September. We have now massively improved that and we are well above our target in answering calls and in ringing people back to do the interview around the benefit application, and that was partly achieved by increasing the staffing. We put the service to the customer first and we take sensible decisions around that. However, had you asked me the question in a slightly different way, ie am I confident that over time we can achieve the reorganization we want by the £2.2 billion investment we are making in new technology which allows us to garner those great efficiencies in backroom processes, a change that will then enable us to have more direct contact with our customers when and where it matters, I think the answer is yes.

Based on my discussions with the Chief Executive of Jobcentre Plus, I think she also has that confidence. I do not think we have set ourselves an impossible task. I think we will get there. In the process of transition some things go extremely well, very fast and other things take longer to deliver.

**Q117 Mrs Humble:** You talked earlier about measuring the quality of outcomes by the responses that you were getting from outside agencies and other individuals, but we have had a lot of evidence about the lack of quality in the process and the difficulties in that. What is your response to the previous Permanent Secretary of the Department who suggested that the efficiency savings programme had resulted in an increase in error levels? Just this morning we have had some evidence to say that two in three of the calls to the contact centres fails to be transferred through to the staff to process those claims. The Committee has asked for more information about that because we are not sure whether it is a computer break down or a break down in the agent processing the script on the screen. If that is true, that is a horrifying statistic.

**Margaret Hodge:** Are you talking about the transferring of information onto the CMS system?

**Chairman:** No. This is when the contact centre takes the call to establish the claim. PCS said that internal figures that they had obtained this morning, which were up-to-date figures, showed that in two out of three cases that data was not transferred successfully electronically to the job centre.

**Q118 Justine Greening:** To be specific, that was when CMS was being used.

**Ms Stratheie:** Perhaps I may just explain what I think you are talking about. I think you are talking about the push of data, that is data obtained and logged into the CMS system which is then pushed through to the legacy systems, ie the system that deals with Income Support, ISCS, and the system that deals with JSAPS. This was a tactical solution because we were not able to bring about complete replacement benefit processing systems, so that is part of a much longer programme of work that we have in hand now. We brought about a tactical solution to try and push as much data so we did not have double or triple keying. Our expectation, if all of that worked and if all of our people did everything properly and all of our customers did everything properly, was that we might be able to achieve around an 80% push; we are not. We started at around 22% when we brought in that release. We have now got the JSA push up to around 69 to 70% and we have got the ISCS push, the one that was causing real difficulty and that was under 30% a few months ago, up to around 58 or 59%. We have a further fix going in CMS Released 3.5 in March which is part of a four-pronged approach and we hope that will bring about even further improvement. This has been a real problem and we have had to analyze it and break it down to see whether it is because they do not have sufficient skills yet, what is error in processing and what is insufficient data. The system input is designed for perfection. If there is an apostrophe missing in somebody’s name or if there is a misspelling it rejects the data because this is about protecting the public purse, this is about identity counter-fraud measures. We have to get the balance right between that protection and a customer friendly and efficient system. We are very aware of all the issues. We have that release going in March.
Q119 Mrs Humble: I am even more worried now with your reply because you are talking about hundreds or thousands of individuals whose claims are not being processed properly. As constituency MPs, we have all had instances of people coming to us and telling us that it has taken them weeks before their claim is processed. What are you doing about it?

Ms Strathie: I did not say that the claims were not being processed. What I said was you had completely manual processes where everything was going through the post. We have been doing this for about 12 or 13 years with London claims going to Glasgow and through to Belfast. What we introduced was something that reduced all of that manual keying. I think getting up to around 70% in the JSAPS system is a considerable achievement on the part of our organisation, our suppliers and our people. I was incredibly disappointed that we were not making those inroads on Income Support and it took us some time to get to grips with that. This is not about processing, this just means that we cannot take the people out of the processing end until we have a robust electronic transfer of data.

Q120 Mrs Humble: As you have given us some very technical information and it is new, can I ask you to do us a note on this just to explain it?

Margaret Hodge: In layman’s language, the use of the system to transfer data electronically has two problems as I understand it because we have been worrying about this. One is that we are transferring data onto old systems and we need this fundamental new system for all our claims which is coming in in a couple of years’ time. The second is that the electronic transfer system requires 100% accuracy. If somebody misspells a name or leaves out an apostrophe the system rejects the data. The reason it required that 100% accuracy was to mitigate against fraud. There are a number of people who will take data and who could well get the spelling in a name wrong or an apostrophe wrong and so the system currently rejects it. How do we handle that? You handle it by not using the electronic transfer and by doing it manually. This is not brilliant, it is one of the issues that we are having to confront, but it does not have an impact either on our delivery of proper benefits within timeframes or on staffing. Were we to get it better we could probably go faster, but it does not have the impact that has been suggested.

Q121 Mrs Humble: One of the arguments about being able to secure efficiency savings was based upon improvements in technology, but if the technology is not working in the way that you want it to and you are reverting to clerical systems that undermines your argument that you can continue at this stage to make efficiency savings in terms of headcount reduction whilst at the same time protecting the quality of your service.

Margaret Hodge: No, because what we are doing is constantly improving the technology. What Lesley described is us moving from a very slow start to where we are now, but it will continue to improve as we put improvements into the technology, so it is getting better and better. On the investment, I knew from the other side before I was an MP, when I worked for one of the consultants who helped in those days the DSS devise its IT systems, that developing these very big systems is quite complex stuff and trying to link this new CMS system to the old legacy systems has not been the easiest of new processes that we have brought in. When the new team came in after the general election we were extremely worried about this particular part of the process. Lesley has managed to achieve enormous improvements here and we need to go further. It is one of those transformation areas where it is taking a longer time.

Q122 Chairman: I hear what you say, and I understand what you are saying, but I think it is quite terrifying that 30% of JSA claims and 42% of IS claims are not being transferred electronically. As I understand it, the contact centre takes the details of the claims, sets it all up, sends that electronically to the Jobcentre Plus. At what point is it established that that transfer has not happened? Is it when the claimants take up their pre-arranged interview or does a message come back straightaway?

Ms Strathie: There are a couple of things I think I need to say here in terms of the steps and the process as well as the things that we are trying to do to improve the stages of it. If I go back to what I say—the tactical release to try and push some data—we tried to bring this programme forward with old legacy systems but tried to take a tactical approach until a strategic solution to our IT replacement systems was on board. This was a benefit—that we could push some of the data—and we keep working on it. It is not about that, it is what happens. When we push it, it goes to the processing centre. At the moment that could be a local office or it could be one of the early new centralised centres. People then know if they have enough data to be able to process the claim, and we have to set up things for the financial assessor to take the next stage of financial advice and assessment. What we have at the moment is our staff in many locations as we go through this transformation journey. Until we have electronic push through this system or the advanced systems, then clearly we have to make sure we have the staff to cope with that at the other end, but I think you are forming an impression that the claim will not get processed because of this.

Q123 Chairman: You are in danger of repeating yourself. My question is quite simple. At what point is it established that the electronic transfer has not happened?

Ms Strathie: I do not think I can actually answer that. I think we should cover it in the note.

Q124 Chairman: It strikes me as quite crucial. At the point that it is discovered the information is not there, you have then got to set up a clerical process, which is always behind, which further delays the process?
Margaret Hodge: In a sense we are getting involved in a technical discussion about an IT system. Can I just say to you, Chairman, that what matters for me, and I think it is important, is that we speed up the processing of the benefit claim, whether it is a JSA claim, whether it is an IS claim or whether it is an IB claim, and if the ICT system is not working to perfection, how else can we do it? The JSA claims—falling out, and if the ICT system is not working to process. That is accurate. In terms of any other claim, whether it is an IS claim or whether it is an IB, they would have to make a delayed claim for that claim is no longer valid and they would have to start just saying to you, Chairman, that what matters for me, they do not produce that within 28 days, then the evidence that people need to support the claim. If they do not produce that within 28 days, then the process again, and, if they had good grounds, they would have to make a delayed claim for that process. That is accurate. In terms of any other falling off, I do not know the answer as to why somebody would fall off the system. People fall out of the system if they do not comply with the responsibilities that go with the right to claim benefit allowance. If you have evidence of why they have fallen off—because it is system or is something that to you think we are doing—I would be pleased to have that and we will investigate it.

Chairman: I will await the technical note with interest.

Q125 Natascha Engel: Really quickly, and it does go back to the technical point that you were making, and it goes back to the heart of this inquiry, which is about the efficiency savings and whether it is not possible to deliver the service that we are trying to deliver with the kind of head-count reduction targets that got have in place at the moment—it is back to the point about at what point the applications get rejected and what happens to them—certainly, as a constituency MP, I get an awful lot of people who come in who have just fallen off the system—that is what it is called: “fallen off the system”—and it is not a matter whether they are clerical or how far in the system they have progressed, they have fallen off. They do not exist any more, there is no evidence of them existing, they have to start all over again and they are often already at a point where they are screaming out for money. We are talking about really vulnerable people. It is not just a technical point. It is not whether you have input 100% correct information. It is what happens to it and why. At what point do people know that it has got lost?

Ms Strathie: As far as the falling off the system is concerned, let us address this when we outline the process, so that you are clear about the point at which it rejects, either at the contact centre or at the other end, and alongside the changes we are bringing. People do fall off the system if they do not comply with the requirement to produce evidence to support their claim within 28 days. The burden of proof is on the customer in this case. We outline on several occasions what they are required to bring, and we try, through our intervention processes, to get that. This can be either identity, it can be about their last employment, a whole host of evidence that people need to support the claim. If they do not produce that within 28 days, then the claim is no longer valid and they would have to start the process again, and, if they had good grounds, they would have to make a delayed claim for that process. That is accurate. In terms of any other falling off, I do not know the answer as to why somebody would fall off the system. People fall out of the system if they do not comply with the responsibilities that go with the right to claim benefit allowance. If you have evidence of why they have fallen off—because it is system or is something that to you think we are doing—I would be pleased to have that and we will investigate it.

Q126 Joan Humble: I have two questions. The first one to Lesley. It is going back to the point that you have acknowledged. You have got your old legacy systems, the new systems do not relate, you have got managerial problems in actually making sure that the process is administered, but, as Greg Mulholland has pointed out, there are huge levels of overtime being worked, and you have acknowledged that you are using overtime as one of managerial tools make the system efficient, but that huge level of overtime is then disguised within your staffing reductions. We were told this morning that the levels of overtime equate to something like 9,000 full-time staff. On the one hand you are reducing the levels of staff in order to have your head-count reduction, but on the other hand you are requiring people to work very large levels of overtime, and so your wages bill, presumably, is still going to be substantial.

Ms Strathie: Let me say, I do not think we work huge volumes of overtime in an organisation with the number of people that we have, and most of the cost of what we are doing is around our people. I have also already acknowledged that in extending the service into Saturdays and extending the length of time that we are opening the contact centres, that has been part of our modernisation for some time and we do, indeed, pay people different rates depending on when they started working for us. I do not think it is a huge amount, but I think overtime has always been a means of dealing with peaks in business volume or, indeed, at times when the market does not produce people that are trying to recruit for a given post. You may recall, on my last appearance we demonstrated to you what happened during the summer when we had peak annual leave and lots of people we had recruited into some of our contact centres either failed to turn up to take those jobs, because they had other jobs, or they left. We have a choice then of offering our people the opportunity to work overtime in that particular centre, if they are prepared to do that, or we now have more systems and more levers where we can move volumes of work from one centre to another. We will continue. We are still rolling out Jobcentre Plus. We have rolled out more than 700 now, and we aim to complete that in the summer. Part of how we deal with the refurbishment of our offices in that new
roll-out inevitably means that we have to plan for every way that we can deliver the service during the period.

Q127 Joan Humble: Margaret, as Minister how do you monitor the quality of all of this?
Margaret Hodge: I monitor it because I get the monthly statistics from Jobcentre Plus as to their performance against the targets. I have quarterly extremely long meetings with Lesley and all of her top management staff—they take around four to five hours—where we take an overall view and have a discussion of issues that are there. I have specific meetings—she probably thinks too many and her staff probably think too many—around specific issues, whether it is transformation of the business or whether it is policy issues and how we would implement. I respond to your letters actually, I hope seriously, and if something comes up—correspondence through MP’s inquiries—that raises something in my mind that I ought to look at as the way the organisation is going, I will either write or talk to Lesley. She and I meet regularly on a keep-in-touch meeting probably once a fortnight, something like that, so I spend a lot of time monitoring Jobcentre Plus and working with the team, and I go out and visit. That is another thing that I do—PQs. There are a lot of ways in which I keep an eye on things and try and improve the quality of the service.

Q128 Harry Cohen: Have the letters from MPs increased?
Margaret Hodge: I have changed something else, just to come back. There used to be a system, and some of you will have had it as MPs, whereby the letters went directly to Lesley and then she would respond. The system just did that. You will now start noticing that they will come to me first, so you will get an acknowledgement from me even if the query is then answered by Lesley, and that helps me monitor. I do not think there has been an increase. I have not been doing it for long enough and I cannot judge that.

Ms Strathie: It is not significant. There has been an increase, but I would say the more significant correspondence is in written PQs.

Q129 Jenny Willott: Going on with the topic of contact centres and CMS, we have been given two very different sets of information about the performance of JCP, one set of figures in the submission by Jobcentre Plus which show continuing improvement and that a lot more key-management indicators are being met than they were; the other set of information is from PCS, which has quite a lot of evidence showing that it is not necessarily all as it seems. In one particular centre a third of IB and IS claims are not paid in less than eight weeks. There is quite a lot of evidence about different centres showing that delays for people being paid are between four to eight weeks, in some cases over eight weeks. None of that appears in the Jobcentre Plus figures that we have been given. How do you respond to those comments from PCS that there are still serious performance problems in the contact centre system?
Margaret Hodge: Can I come in on this and then Lesley can pick it up? It is a huge organisation that we are talking about with lots of districts and lots of offices, and, clearly, in a massive organisation of that nature performance will vary. One of the challenges that we face, which we talk about a lot, is how you bring the poor performance up to the levels of the best performance. That is the challenge of trying to improve the quality of services to our customers across the country. There is a lot of detailed monitoring right down to each Jobcentre Plus office, and I do not know which ones the PCS raise today. I have no doubt that some are performing far less well than we would like, others are performing brilliantly.

Q130 Jenny Willott: These are talking about the contact centres, not the Jobcentre Plus offices?
Margaret Hodge: Contact centres are the same thing. There are 22 contact centres. Some are performing better than others. You will always get variation in performance. That is monitored. I get it. In the monitoring I get, I get the best and the worst, and that is one of the ways in which you can see where the variations are, because averages do not always tell you. Of course, then action is taken through management to try to look at the problems that are leading to under performance in a particular part of the organisation, whether it is a particular contact centre or a particular Jobcentre Plus office, and we try and bring that performance up, and so there is a learn from the best tack. All those things are obvious. If the Committee still wants, send us a list where it has been demonstrated by PCS that their members are not performing as well as they are elsewhere, we will check it against our management information and we will write to you about those particular things, but it would be crazy for us to sit here, either myself as Minister or Lesley as Chief Executive, pretending the performance across the piece is the same. It is not.

Q131 Jenny Willott: The thing that is concerning us is actually the sheer scale. The evidence that has been given to us is not that there is one centre where this is a problem. A lot of the evidence shows that it is really quite widespread that these problems are coming up. As you said, there are 22 contact centres. The evidence shows that actually there are problems in quite a large number of those.
Margaret Hodge: How many?

Q132 Jenny Willott: I am sure we can provide you with this afterwards, but there are different examples of different problems.
Margaret Hodge: If we take contact centres, there was a problem with telephony, actually answering a phone, ringing people back for their assessment to progress their benefit claim. That has massively improved between September and December, absolutely massively. We have given you the average figures. Within that average there would be better
performers and less well, but you do not get that massive improvement in averages without probably most, if not all, getting some improvement. It is very difficult to answer those general allegations, if I am honest. Let us have the information, we will come back to you and we will show you what steps we are taking in those less well performing parts of the organisation to enhance performance.

**Ms Strathie:** Can I add for clarification for the Committee, contact centres do not process benefit claims, they are held to account for answering the phones, for taking the data, for making sure that the customer gets the forms and their appointments and for making sure they do their call-backs within a standard period. The actual decisions around benefit are elsewhere, and, as the Minister has said, there are hotspots and we tackle them, but there are lots of reasons why someone would not get their payment within our prescribed period, which are some of the things that I have already said — where they have not complied with what we need them to do or they have not been able to provide that evidence or there is still some debate around entitlement. I recognise that we will always have hotspots in a big complex business like this, and I am very happy, as the Minister has said, to take the evidence and to investigate further, but I know what we are measured on in terms of our processing and our claims clearance and our standards for those. We have to get this process right from the start to the finish, and that is what we are working on and improving.

**Q133 Jenny Willott:** In fact, from the Jobcentre Plus figures that were provided, only one out of the 11 regions is meeting its target of 12 days for the average clearance time for jobseeker's allowance?

**Ms Strathie:** Yes.

**Q134 Jenny Willott:** What has been done to tackle that?

**Ms Strathie:** Jobseeker's allowance is where we are furthest from our own internal benchmark. This is not one of our formal agreements or the department's formal targets, but it is part of us measuring whether we are delivering for the customer or not. We have actually managed to knock almost a whole day off our length of time in December, and I am hoping that we are starting to turn the corner on some that, but we have to balance this with what we are trying to do about accuracy of payment and what we are trying to do in our reduction in fraud and error. The length of time it takes us to give a decision on an award, or a disallowance, or to make that first payment is part of the process, but we have to do it in a way that we deliver accurate payments to our customers. We have to do both. We want to get the decision made as early as we can; we want everybody to get accurate money at the right time.

**Margaret Hodge:** Can I say something to you as well? Obviously the Committee will focus on those issues that are not going as well as they should, and JSA claims are one, but if you were to look at IB claims, if you were to look at IS claims, in both those instances we are doing better than the target we have set ourselves. On IB I think it is about four, five days, on IS about a day. We are going to tighten up those targets, so let us also in this massive transformation and organisation we are undertaking celebrate some of the rather good work that is going on in the Jobcentre Plus organisation up and down the country which is doing well. JSA claims we need to do better, but we are doing well on the others.

**Q135 Jenny Willott:** Obviously in certain areas rather than in every area?

**Margaret Hodge:** No, we are doing well in the majority. We need to do better in JSA. It is a bit of celebration really.

**Q136 Jenny Willott:** I was meaning “area” as in geographical area, because a lot of the evidence which we have shows that, as you accepted, it is not across the board; there are certain areas where those targets are being met and there are others where they being missed out?

**Margaret Hodge:** The average on IS and IB across the country, the average on those two, is better than the target we have set ourselves.

**Q137 Jenny Willott:** I accept that, which is why I was commenting on the averages, but that hides a very wide geographical range of performance which we know and you accept, and I understand that has got to be tackled. Can I move on to processing again? What proportion of claims is currently being dealt with through a clerical process rather than CMS?

**Ms Strathie:** I could not answer the proportion of claims, I cannot answer that customer or not. We have actually managed to today knock almost a whole day off our length of time in December, and I am hoping that we are starting to turn the corner on some that, but we have to balance this with what we are trying to do about accuracy of payment and what we are trying to do in our reduction in fraud and error. The length of time it takes us to give a decision on an award, or a disallowance, or to make that first payment is part of the process, but we have to do it in a way that we deliver accurate payments to our customers. We have to do both. We want to get the decision made as early as we can; we want everybody to get accurate money at the right time.

**Q138 Jenny Willott:** Is it true that Middlesbrough contact centre reverted to clerical processes last week due to problems with CMS?

**Ms Strathie:** Not to my knowledge. I and the board were in Middlesbrough contact centre last week as part of our getting back to the floor to see the problems and see the improvements first-hand. Perhaps the board were not up to the challenge, but I can assure you every member of my board took inbound calls and outbound calls and spent the day there; so I know nothing of Middlesbrough being on clerical last week.

**Q139 Jenny Willott:** That is interesting. One of the things that Joan was talking about earlier was the fact that the premise of using CMS was that the efficiency saving could be gained by going over more
into new technology rather than people doing it. The fact that you have got contact centres using clerical processes rather than using CMS, how much will it change the savings that you were expecting to get from transferring over to CMS?

**Ms Strathie:** We are on target.

**Margaret Hodge:** It might help the Committee. We have to achieve all this by 2008. We are well on target to achieve the head-count reductions. We think the centralisation of benefit will save us probably something like 2,000 staff, the changes in the organisation that we have undertaken will save us something like three and a half thousand staff and the payment modernisation about a thousand. Those are the top headline figures I have given you.

What we want to do, and I keep saying this, Chairman, because it is really important, is to increase the staff. We need more personal advisers, we want to increase the staff that are really important in supporting people back to work and in responding to individual questions about their benefit entitlement, whether it is the financial assessor or whether it is the people in the contact centre answering. We are on target. With a massive organisational review of the nature that we are undertaking, some things go better, faster than others, but I am very pleased that, on the whole, we are meeting most of the performance targets we have set for the organisation. I think they have done a brilliant job and should be congratulated, certainly by the Minister and, I hope, by the Committee.

**Q140 Jenny Willott:** Finally, what is the timetable for getting all of the contact centres off the clerical processes?

**Ms Strathie:** I do not have an end date, because, as I said, the pilot will inform how we move them from one stage to the other. Each of those plans have been taken on right now, but, going back to what I said, until I know I am delivering the service and maintaining those standards I will not say a specific period because this accounts for the skills of staff, we have to take into account attrition and we have to take into account business volumes, because this is not the technical side of the business, this actually being able to match the skilled workforce to the areas that the business is coming in, and, should we be able to see that our pilots are going to make us much slicker and better in the end-to-end process for that, that could potentially impact on how we take those back on.

**Q141 John Penrose:** Picking up on some of the points you were making about redeploying staff, I think you are trying to redeploy something like 10,000 from back office into front office functions of one sort or another. Obviously that is a laudable aim, particularly if those people bring with them a working knowledge of the system as they move. However, if they are moving into contact centres, the regime in those places does not necessarily suit everybody. There will be a very big change in gear. What have you seen in terms of attrition rates: the new arrivals from outside versus people being redeployed from inside versus the long-term people who have been in contact centres for some time?

**Margaret Hodge:** Can I deal a little with the general issue? There are two ways we could have undertaken the reorganisation. We could have gone for a huge redundancy programme, and we chose not to. In fact it is quite interesting that, with the great reorganisation we have already undertaken, there has only been one compulsory redundancy in that whole reconfiguration. When you do it that way so that you do try and retain jobs for your existing staff—and that has been one of the underlying aims—clearly there are in difficulties in people moving to a different sort of job or moving to a different area if you are centralising your contact centre or centralising your benefit process, clearly that has challenges. It is more difficult in contact centres than it is elsewhere. Contact centres have always been places where there have been very high turnover rates of staff.

**Q142 John Penrose:** It is not everybody’s cup of tea to work in those places?

**Margaret Hodge:** It is not everybody’s cup of tea. You are absolutely right. Also particularly in the benefit process and people who came off the old benefit system who had been there for years and years and were very used to the old ways of working, we all know, it is very difficult to completely change the work you do and move into a new environment and have to travel further and all that sort of stuff.

**Q143 John Penrose:** I appreciate the difficulty, which is why I am asking the question. It is not easy, is it?

**Margaret Hodge:** The interesting thing is, okay, across Jobcentre Plus as a whole we have about a 6 to 7% turnover of staff, which is not bad. In the contact centres it is more, it always is, and it has gone up through the transformation—the figure I have got is about 20%—but the interesting thing, if you look at it, and I have looked at this really carefully— who is going, who is staying, all these sorts of things—is that those who are tending to go are those who have been with the organisation for the least amount of time, which, again, probably fits in with general contact centres and work in contact centres. I took a snapshot of one month—October—and a third of the people who left in October had been there for more than a year. That is quite an interesting statistic. Also we have correlated those who are leaving with their performance as measured by management and with their absence record as well, and it has tended to be, which is good for the organisation, those who tend on performance not to demonstrate as high competence as others—it tends to be the lower performers who are leaving—and it tends to be those with a higher sickness record; so there has been a churn. It is not as bad as I might have anticipated, given the change we are undertaking, and we are not losing the wrong people.
Q144 John Penrose: Can I push you on that figure you just gave us about a third of them being people who have been in the organisation for less than a year. Is that in DWP for less than a year but might have been redeployed, or is it just in the contact centre or people who have been redeployed elsewhere?

Margaret Hodge: A third of those who had been there over a year. A third of those who left—only a third. Two-thirds had been for less than a year. A third, sorry.

Q145 John Penrose: Were you taking the measuring point from when they arrived in the contact centre or when they arrived in the DWP perhaps doing a different job?

Margaret Hodge: Oh, I see what you mean. Probably when they had been in DWP.

Q146 John Penrose: Which is a more solid number to quote therefore?

Margaret Hodge: Yes, I accept that.

Q147 Mr Dunne: Can I come in, Chairman? We have just received some further information from your department on that specific point with a table showing the number of people leaving, staff over various periods of service within Jobcentre Plus, contact centres, where you have got the highest turnover. I am just adding up these figures, but I think you said that two-thirds have left who have been there for less than a year?

Margaret Hodge: Yes.

Q148 Mr Dunne: Because the figures I have got here say that 467 out of 1,104 (which is about 40%) had been there less than a year, which means that 60% had been there for more than a year. I think it may be the wrong way round?

Ms Strathie: Is that DWP, Jobcentre Plus or contact centres?

Q149 Mr Dunne: Contact centres and Jobcentre Plus?

Margaret Hodge: Would you say it again, because I have now got the table you have got.

Q150 Mr Dunne: If you add up those who have been employed for less than 12 months (ie within one year), it comes to 447 people out of a total of 1,104. It is about a third, and so I think you have got it the wrong way round, if I may say so, with respect?

Margaret Hodge: Yes, I accept that.

Ms Strathie: That is the period March 2004 to November 2005, so it is about 18 months.

Margaret Hodge: I reported on an October snapshot, so you are right. Even on those figures, there is a tendency there for the stayers. I have done a quarterly analysis of who is going, who is choosing to go, because where there has been a reduction in staff it has been through people choosing to leave the organisation, and it is interesting that you do get a correlation with performance and attendance. The lower performers and the weaker attenders tend to be the ones who are leaving. There is a bias in that direction.

Q151 John Penrose: Picking up on the training that you are giving people as they arrive in the contact centres, is your aim to have people who are effectively following a script off screen or is it ultimately to have people who have rather more depth of personal knowledge and can deviate from the script where necessary perhaps to short-circuit and deal with things faster and with more effort?

Ms Strathie: I think you have to start with the industry-based practice and running contact centres as opposed to call centres, and scripting is very much a part of that. When we are talking about contact centres we are talking about those who interface with the customer, collect the information, call them back, get more information that the customer has to give us around the claim and move on from there. We have a benefit enquiry hotline service as well, and we have our customer facing roles in our Jobcentre Plus outlets. What I have to be quite careful and safeguard against at the moment is that staff who have worked for a long time in a local office and have a fair amount of knowledge are not then using information that may be out of date because they have moved on to another role. We are very clear about scripting, and we are very clear about the hand-offs for people in that. I think we probably have a way to go to improve all of the process, and we have a way to go to improve both the quality of our scripts and our staff skills in delivering those scripts, which sounds less like a scripted conversation, but that is not a part of the business we are expecting people to give detailed benefit information.

Q152 John Penrose: Does that mean that if you have got somebody who is moving from a local office into a contact centre, actually their accumulated experience and expertise may not be used at all?

Ms Strathie: Not in the terms of if they move from, say, being someone who has been in a customer service role for a long, long time answering benefit queries and they move into a contact centre role that is data collection essentially, but we have a variety of contact centre roles. We have those who deal with the employers who want to place vacancies, we have those who are following up on those vacancies; we have a benefit fraud telephone service as well as the job-brokering service for customers. There is a range of places where people’s skills are used, but if you took one extreme to the other, you would be right in that.

Q153 John Penrose: Listening to your reply, it sounds as though your ambition is to upskill people in as many of those roles as you can, where it is appropriate rather than just having them reading off scripts?

Ms Strathie: No, I think it is careful, because mis-information can have dire effects, and that is a risk in my business, it is a risk to the customer, it is a risk to the public purse, and so we are very clear in that
specific role where we are gathering the data to enable a decision to be made on benefit that that is what it is. It is helping the customer without them having to leave home, over the phone, to log their claim to entitlement, to help them. What we do through is help them arrive at the right benefit that appears to be the most appropriate or the range of benefits for them. When it comes to detailed questions that is not where we use it.

Q154 John Penrose: One final query about telephone contact centres. What provision are you making for people who either cannot use the phone or want to use other methods? Presumably people are still able to use paper and pen. If they want to use the web, can they do that. How are you dealing with those varieties?

Ms Strathie: As far as customers are concerned, I think the learning point from when things went wrong for us in a number of contact centres last summer is that if we are not able to match the business volumes coming through the number of calls, people are turning up in our Jobcentre Plus offices and then being directed to warm phones, which does not really help if you are not getting the telephone answered. We have done a lot of work, and I think we have more to do, to develop the business in a way that still allows a customer facing role for someone who cannot deal with the telephony or has already gone through difficulty at some point because of some technical or people failure, that if they turn up in our offices we are able to deal with them clerically there, and we have just reinforced the guidance on that to all our offices.

Margaret Hodge: Interestingly enough, very few people use the web. It is 0.1%.

Q155 John Penrose: Is that because it is difficult or they do not have access to it, or is it because they do not want to?

Margaret Hodge: I think it is an interesting one which, in preparing for this committee, I was surprised how small it was; so we need to think about how we can increase.

Ms Strathie: Could I just be clear. That is in terms and what is not and trying to analyse that, and that of our customer base in DWP. ... them to be processed do not get the push of data you want and have to electronically in the main, but we are quite a way off from that.

Q156 Justine Greening: In terms of contact centres, and sometimes it is a big learning curve as to how to work in that environment, how many claimants do you think get the wrong analysis of whether they are eligible for benefits because of their details being keyed in incorrectly or the contact centre person just simply not understanding the details that they have to key in?

Ms Strathie: To clarify, do you mean in terms of when they are having their call, being told which benefit is appropriate?

Q157 Justine Greening: Yes, which benefit is appropriate and whether they are eligible for it?

Ms Strathie: I cannot answer that, and I do not even think we collect the data, but I am happy to go back and see if we can write to you on the point. The reason I say that is that I know I have had it raised in other fora, but I have not had a mail bag. It does not form part of my customer complaints in chief executive cases, but I do know, depending on the information the customer gives or if they do key it in right, the system does produce, “it would appear the most appropriate benefit for you is jobseeker’s allowance” or “the most appropriate benefit is income support”. Where I could say straightforwardly for something to go wrong is were you to ask a lone parent with children to care for, “Are you looking for work?”, and they answered, “Yes”, the system would produce jobseeker’s allowance as a benefit when in actual fact income support is appropriate. We need to make sure that people are skilled enough to identify those things, because wanting to work and complying with the JSA regime are two different things.

Q158 Justine Greening: In terms of the fall off rate that we talked about earlier, do you do any investigation into what those sorts of instances are? In other words, is there a relationship, for example, between things being keyed in incorrectly or the apostrophe in the name perhaps not being there, then, the next time the customer calls with the information within the 28 days time frame, they do not have access to it, or is it because they do not want to? Because it is slightly different? Do you do any analysis on the forms?

Margaret Hodge: Interestingly enough, the case is that we have discovered by managing to draw stuff out of the system in terms of what is pushing and what is not and trying to analyse that, and that is very fresh, and we have immediately developed a programme of technical fixes as well as people upskilling fixes to address it. At the moment I do not have an analysis that would land on my desk as chief executive that would answer your question, but what I am absolutely clear about is the improvement work and all the strands of work where we identify those sorts of issues. The 28-day is about the burden of proof that the law requires people to comply with. The other things you are talking about is where you do not get the push of data you want and have to establish why, and why can be as much as the technical limitations of the system that we are dealing with. That does not mean that the customer just falls off, it means that we have to do the work again and that for me in terms of the risk to protecting the public purse, the risk to making sure we have the right person and what they are correctly entitled to, has to be part of how you build your
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system. You do not build at around 100% mitigation to the point that I have used an exaggeration, a raw piece of drama.

Q159 Justine Greening: Are you saying that in the two-thirds of CMS cases that the data push does not work in there is then a risk that, for whatever reason—eventually the data push does go through and that there are two records in the system—that then potentially gives a risk of fraud or error?

Ms Strathie: It is in the system. It is what happens at the processing end. If it goes electronically, the person picking it up to benefit-process can deal with the information in the system, have an assessment with the customer, with the customer providing the evidence that supports the claim. If it does not push, the person at the front end who is doing the financial assessment has to gather that data and input. It is not a rejection of the claim, it is a rejection of filling everything into the legacy system. Until we get that much better in reaching our aspirations, you have not maximised the efficiency, so you have to address that and where you keep the staff in that end of the business. All of this is about moving people around in the modernisation as well as a reduction in the head-count.

Q160 Miss Begg: In the evidence we took last week and this morning from PCS nobody had a good word to say for the staff appraisal system for personal advisers called “red, amber, green”. Are you looking to change it?

Ms Strathie: That would form part of the appraisal system that we have introduced in terms of trying to ease out performance variation and reach a standard where we are expecting people to conduct 60% of the time available to them with the customer. There are lots of things a personal adviser has to do as part of their role in addition to their face-to-face interview time, their face-to-face work with trying to get people back to work. No, I do not intend to abandon that performance management tool, which is one of the many tools we use to support the skills and performance of the adviser.

Q161 Miss Begg: The PCS was implying that that management tool is undermining a lot of the staff morale. They talked about it being performance by public humiliation, there were lots of sticks but absolutely no carrots, and, although they did not say it directly, I have got a feeling that because the outcome was job entry, then advisers were being encouraged to rush people through and therefore get them into any old job, not necessarily the best job for them. These are serious criticisms. What is your response to them?

Ms Strathie: My response is that we employ advisers primarily to get people off welfare and into work. I pride myself in Jobcentre Plus in our approach to changing people’s lives, and that is what our customer feedback tells us. We have a range of advisers dealing with a range of customers, different client groups, different programmes, different eligibility. That is why we are looking at 60:40 in terms of customer facing time and the other things that we have to do, bearing in mind that we have people, say, on a voluntary lone-parent programme and then we have people who will be required to come in for a work-focused interview. The adviser’s job is about identifying the barriers to work for someone who wants to work and trying to work with them to overcome those barriers, but the end goal has to be the outcome of getting people into work.

Q162 Miss Begg: Surely you must accept that for some clients that process might be quite a long one, and therefore a personal adviser would need to spend a lot more time than maybe for someone who has just fallen out of the labour market, a quick JSA claim and very highly skilled and gets a job almost immediately. To equate both of those the same, which I understand the system does, because they both get the same number of points, surely cannot be fair?

Ms Strathie: The system does not do that. If you looked at analysis over a period of time, in any of the customer groupings there is huge variation between the outcomes of one adviser and perhaps another. We already within that allow for the different customer groups, different difficulties, degrees of difficulty, even in our performance management or performance variation plans across the piece. We look at cluster groups in degrees of difficulties from rural to urban. There are a lot different ways that we look at this, but, at the end of the day, we are setting benchmarks for people, arranging work-focused interviews, we have benchmarks for job outcomes and that is part of how we manage people in a discussion which is about performance and development. This is about setting a requirement for the job and helping people to build the skills. We do not expect every customer to be processed around there and meet a job at X. We recognise that for some people it is a much longer journey.

Q163 Miss Begg: The checking on those who are either constantly on red or on amber, is that not bureaucratic, is it not time consuming, is it not taking people away from the very job you should be doing as personal advisers?

Ms Strathie: I think it is good performance management. If you look at any external assessment of performance management: Investors in People, for example, would say you set standards for people, you identify the skills and knowledge they need to do the job and then you help them get the tools to do the job and you measure and give feedback and you address skills requirements. That is part of this process.

Q164 Miss Begg: You said that the balance of the personal adviser’s time is 60% with the customer and 40% on other tasks. Your memorandum to us also talked about the appointment of adviser administrative support officers who will take on some of the clerical and more mundane roles and the
collecting of statistics. I asked the PCS about that this morning, and he said they are not there. Is that true?

Ms Strathie: Administrative support is not there?

Q165 Miss Begg: Yes. We also had evidence that other personal advisers are still having to do the photocopying, floor walking, reception desks—I have got a number of other things they are doing—which were supposed to be the administrative roles that were meant to be taken out of their remit—they are doing it—and those adviser/administrative support offices have not been appointed?

Ms Strathie: I would go back to what we said earlier. In a vast organisation I cannot sit here and say that everything will work perfectly every day in every location. What I can say is our adviser family, if you like, in looking at the end-to-end process of advisory services has to start with administrative support to teams of advisers, and that will vary according to whether it is an office that has one adviser or an office that has 20 advisers, but administrative support, advisers focusing on what the higher skilled jobs, the higher paid jobs of executive advisers to fulfil this role, and then the management of advisers that I have spoken about. We have done a lot of work to try and standardise and drive up the productivity of advisers, but what I will say is you can benchmark them with all the other people that are delivering advisory services out there and I do not think that we are at the top end here of saying in terms of outcomes that we are over demanding, if you look at employment zones and various other services being delivered by other contracted or non-contracted partners.

Q166 Miss Begg: Do you have any comparative statistics about the work rate of your own members of staff in Jobcentre Plus versus the ones where things have been outsourced, whether it is employment zones or some of the voluntary sectors providing services for disabled people?

Ms Strathie: Yes, there are comparators and overall outcomes in terms of jobs, because they are about work for those who can and security for those who cannot. There are benchmarks and standards. For example the 90% calls answered standard in the contact centres is industry best practice, the 60% contact time is an industry standard. That is more of what we are trying to do to give the same service everywhere.

Q167 Miss Begg: I am thinking more specifically on the question of bureau personal advisers. Not all personal advisers are getting people into work through Jobcentre Plus. There are private companies, voluntary sector organisations?

Margaret Hodge: We know that the employment zones are delivering about 10% more people into work than Jobcentre Plus offices. That could partly be productivity of personal advisers. It could also be some of the greater flexibility that the private and voluntary providers in employment zones have. Can you isolate? Is this personal adviser performance? Not entirely: because when I talk to private and voluntary providers, which I do a lot, about why we are getting that disparity in outcome, part of the freedoms they have, for example, enable them to pay their personal advisers more than we can in-house because they can deploy their staff in a different way, so they may be attracting a different calibre of staff, and that in itself may affect productivity. It is a bit of a complicated picture.

Q168 Miss Begg: One of my concerns is that, because of the major change programme that you are undertaking, staff morale is plummeting. We have heard that from a number of people. Therefore the productivity has also plummeted. You cannot separate that out, there must be a link between the two, and, therefore, unless there is light at the end of the tunnel, there is some end to this change process, how on earth are you going to rebuild your trust in the staff? How are you going to rebuild morale? They are going on strike later this week.

Margaret Hodge: Let me say a number of things to you. First of all, on productivity of personal advisers, in one of our measurements which is important to us, which is how many people are they talking to each week about moving from welfare into work, it is up from 25 to 28 per adviser, again, on average, so there will be some poorer performers and some better ones. That is the average figure. It is up. The second thing to say—and I am sure the committee feel the same—I talk a lot particularly to personal advisers as we think through how we can be more effective with the next phase of our welfare reform programme. Personal advisers have a key role. I meet huge enthusiasm, commitment to the job and incredibly effective performance. It may be that I am meeting the best of the bunch, but I do meet an enormous amount of enthusiasm for the work we are doing on welfare reform. What you are right about is that any transformation anywhere in any organisation is challenging. People do not like change. People find change difficult to deal with. Of course that is an issue that impacts on staff morale and we have to constantly think how we can take people through the process of change and keep their enthusiasm for the job at the forefront. Whenever we talk about institutional changes, the danger is that people look inwards not outwards, and we have to counter that in a way as we manage that process of change; but, on the whole, the one group that I think are really enthusiastic about the work that we are doing are the personal advisers. I have no doubt you will find some who will come forward and say, “I am finding it really difficult”, or “The changes are awful”, but on the whole they are an enthusiastic group of people, and I am sure Lesley would endorse that.

Ms Strathie: Absolutely, and they are a group that are growing and in setting these standards we have developed a whole range of support products to help them meet that—the enablers are there too—but I think my personal advisers do an absolutely fantastic job, and there is nothing more motivating for a personal adviser than to get somebody into work and to have them come back and tell us what a difference it is making. If you think about the
service at the front end in our Jobcentre Plus offices, that has to be about the people who need that face-to-face intervention, people who need to build rapport with adviser and work through a range of issues to get a job. That has to be the core of that business in helping people there; so we want our advisers to keep upskilling. In actual fact, although we had very disappointing results, and I recognise the things you have said about those, some of the good news in that was that more people had more faith in our performance and development system and in the confidence in their immediate line managers; so we take heart from that.

Q169 Michael Jabez Foster: I wanted to ask you a little bit about a statement you made, Margaret, last October which I think you subsequently confirmed. It was that there was huge interest, your comment, in outsourcing activity currently delivered by Jobcentre Plus. In all the job reductions that are already going on this causes people all sorts of worries. What sorts of activities did you have in mind when you launched that idea?

Margaret Hodge: I was talking primarily about the delivery of our welfare to work programmes taking people off benefit and back into work. I have long been of the view, particularly as we are now moving towards trying to provide support for those who are on inactive benefits, those who have been out of the labour market for a long time whether it is lone parents or IB claimant or older workers—I have believed that for many clients in those groups they find coming into a Jobcentre Plus office, because it represents authority, quite forbidding—not all, but they will find that quite forbidding. Despite the fact they are much more friendly environments, open plan and we have all these wonderful personal advisers, it is still authority, it is still government, it is still forbidding. A lot of people tend to respond better, but not everyone, to a voluntary organisation or sometimes a private organisation that can innovate, that is not so restricted in its structure and processes as we often are as a big public sector organisation, and that are successful in supporting our endeavour, which is to support individuals off welfare and back into work. I have talked to Jobcentre Plus but I have talked to a lot of our big, particularly voluntary and some private, providers who are being very effective in providing support for this particular group, and I think there is going to be an extension of that work. I think that is the way the world is going to go. Still working with Jobcentre Plus, but there is a lot of enthusiasm. I do not know, Shaw Trust have given you evidence here—Tomorrow’s People—we can go through all the organisations that are contributing hugely to our aim and objective, which is to work for those who can.

Q170 Michael Jabez Foster: What people are fearing is that you are talking about something different, something about outsourcing processes and even outsourcing those processes overseas. Can you comment on that?

Margaret Hodge: Certainly I got one over the weekend by a journalist saying, “What is this about? You are outsourcing staff overseas”, and I did not have a clue what he was talking about because we are not doing it at all. I think the Permanent Secretary gave a pretty clear statement on the radio on Monday, if you listened to it, saying that there is no outsourcing overseas of any of the DWP. What is happening, what could be happening, and I think I have got a little bit of information on it, is that some of our ICT provisions are outsourced. EDS, a big supplier of IT to us, are outsourcing, for example, I know, some of their development work in Egypt. It could be that some of those companies who already supply outsourced functions to us are then themselves outsourcing overseas part of that work, but there is no intention at all in any part of the DWP business for us to take processes overseas. We are also looking at probably a bit more outsourcing of DWP business, not overseas, but things like record storage is something that is currently being considered by the department, looking at print and distribution, those sorts of functions, which might well be outsourced but not overseas.

Q171 Michael Jabez Foster: Would you be prepared to put within the contract of your outsourcing that they did not go overseas, because is there not a contradiction between your department that is there to create jobs in the UK and allowing under any circumstances job redundancies?

Margaret Hodge: That is a good point. I think the answer I have got to give you is that clearly the company itself has to look at value. I think that this represents authority, quite forbidding—not all, but they will find that quite forbidding. Despite the fact they are much more friendly environments, open plan and we have all these wonderful personal advisers, it is still authority, it is still government, it is still forbidding. A lot of people tend to respond better, but not everyone, to a voluntary organisation or sometimes a private organisation that can innovate, that is not so restricted in its structure and processes as we often are as a big public sector organisation, and that are successful in supporting our endeavour, which is to support individuals off welfare and back into work. I have talked to Jobcentre Plus but I have talked to a lot of our big, particularly voluntary and some private, providers who are being very effective in providing support for this particular group, and I think there is going to be an extension of that work. I think that is the way the world is going to go. Still working with Jobcentre Plus, but there is a lot of enthusiasm. I do not know, Shaw Trust have given you evidence here—Tomorrow’s People—we can go through all the organisations that are contributing hugely to our aim and objective, which is to work for those who can.

Q172 Harry Cohen: Can I just ask in response to your answer of not doing off-shoring—clearly you are not doing it now—but implicit in your answer is that you were considering doing it.

Margaret Hodge: No.

Q173 Harry Cohen: What then is the status of this memorandum from the departmental security team entitled “Offshoring without process”, reference 7316, 20 December 2005, which states: “Proposals are being made by service providers to undertake work for or on behalf of the department overseas. This could involve the transfer of part or even all of the functions of the DWP area of business that would have previously been located in the UK to a centre located outside of the UK. This is referred as to offshoring.” What is the status of that document?

Margaret Hodge: The status of that document is that some of the people who already provide for us services that have been outsourced, primarily in IT—the estate is also outsourced, but it is the IT services—some of them are choosing to outsource part of the business they have with us overseas, and
that was the example of the EDS doing some of the development working in Egypt, some stuff being done in Dublin too. The status of that document was to ensure that, where that occurs, the service to the department and our customers, the integrity of that, is maintained, ie to protect us, to ensure that there is not any detriment to what we expect under the contract we have. What Michael asked me, thirdly, is could we write that in? I think that would be more difficult to do. I think is an honest answer.

Q174 Natasa Engel: Jobseeker’s allowance claims and the increase that we have seen. What impact has that had on the workload of the Jobcentre Plus staff?
Margaret Hodge: It is something we are clearly worrying about and it is growing. There was quite a jump in this last quarter in both the ILO unemployment figures and a rise in the claimant count, and what was slightly different from the trend over the last 10 or 11 months, because we have been watching it very carefully, is that in the past what we thought was happening was people were staying on JSA for longer. What we saw in the last month was an increase in new claims. I am having constant discussions with all the best labour market economists I can get hold of to talk about this, and the general view does appear to be at the moment that the figures are erratic and we should not jump to any conclusions early, and that the basics of the economy remain strong. Most people I talk to think over the next month or two we will see a decline—it will not quite tell in the figures, because we take a month at a time but then look at a quarter, so it will probably take two or three months before we start seeing the trend changing, that we will see all the stats moving in the right direction. I have got to watch the figures very carefully, and clearly there is a correlation between the number of applicants we have for jobseeker’s allowance and the number of staff we need; so clearly we have got to keep a very close eye on it. At the moment I remain optimistic. All the best information and evidence I get confirms the optimism, but I will keep a close eye on it.

Q175 Natasa Engel: You are specifically saying it is possible that it could be due to efficiency savings at Jobcentre Plus.
Margaret Hodge: No. Hang on. There are two things there. I am sorry; I thought you were talking about the increase of new claimants. Why are people staying on longer? We are still looking at that.

Q176 Natasa Engel: It is not really staying on longer, it is the new claims, kind of looking at it more locally?
Margaret Hodge: The new claims are to do with the economy. The best information I have got is that we are just getting erratic figures at an erratic point in the economy. The basic system is still very solid, everything looks very stable and we ought to see the continuing growth in jobs. We have had 200,000 more new jobs this year than last, but we have had this blip in the last quarter figures. They were not a good set of figures.

Q177 Natasa Engel: What are we really looking at, because it is in the context of the efficiency savings, is the increase in the workload of the staff at Jobcentre Plus offices and whether or not they are dealing with the JSA claims efficiently?
Margaret Hodge: I see what you mean.

Q178 Natasa Engel: And whether that may be, on a local level, a reason why there has been such an increase?
Margaret Hodge: If those increases continue there will be an impact on the head-count. Of course there will be. At present it is not that much that it would have that impact. Looking at the other side, what we are also looking at extremely carefully is the fact that people are staying on jobseeker’s allowance for longer, and is there a Jobcentre Plus factor in that coming out of the re-organisation? We are still examining that. You have come to me a little bit early, Natasha, because we are asking the questions rather than getting the answers at the moment around that. There are all sorts of things I am looking at there. We are looking at, again, clearly are there fewer jobs than ever? Is it more difficult to get people off? We are particularly looking at young people, because the 18–24 ILO unemployment rate has increased and there could be all sorts of factors there. Is it graduates who are coming out of the university taking longer to get into work. It could be something like that. I have not got the answers back on that. Interestingly enough, one of the questions I asked, which will be of interest to some of you as constituency members, is the workers’ registration scheme, EA workers from the accession countries coming into the country. Is that having an impact? Again, it will be interesting to the Committee that all the best analysis there is says that is not having a labour market impact at all. In fact it is probably a benefit to the economy that is helping. We are trying to look at what the factors are there. Have me back in a few weeks and I will be more intelligent on it.

Q179 Natasa Engel: On job entry targets, and again there has been an improvement in performance, is this feeding into the claimant count?
Margaret Hodge: It is quite interesting that, because there was a point early on when it looked as if people were staying on jobseeker’s allowance longer. In the discussions that we had within the department we asked Lesley to redouble her efforts to make sure that in the modernisation and re-organisation she focused very much on job entry, and she has done that very effectively. It may be actually that that is not feeding through into the national statistics, the quarterly statistics that we get on employment, but it does not look to me as if at this point in time there is an impact there, but we have got to do a bit more work. There are all sorts of other things. You may come on to ask me that. Financial savings, which is rather different, which the reorganisation and staffing systems are a part of, has meant that we have had to think very carefully about our employment programmes. Is there a link there between spending less on the employment programmes and people
staying on JSA for longer? Again, I am waiting for that analysis to come back to me, but I am not sure it is the biggest factor in play there.

Ms Strathie: Could I just add to that that the inflows, the new claims, stabilised during 2005 were higher than 2004 but they were stable. The increases are largely around people staying on longer, and that is why we have redoubled our efforts on the vacancies that help us to get people off welfare into work, processes being delivered more uniformly and our adviser productivity at the heart and the upskilled number of advisers to do that. You have seen the performance improvement in job entries—we still have a gap—but December and the first two weeks of January are continuing that underlying trend of improvement. So, against all the other performances, I think that is huge credit to the people who work in Jobcentre Plus and the departments who deliver with us.

Q180 Justine Greening: When we took evidence from PCS earlier today they said they had heard off the record that a further 120 offices over and above the 577 planned office closures were going to take place by the end of 2008. Is that something you can comment on? Can you confirm whether or not the off-the-record comments they have been told are correct?

Margaret Hodge: I have not seen that figure at all, to be absolutely honest with you. That figure is news to me. However, having said that, as part of the reorganisation we are constantly reviewing whether or not we need the number of Jobcentre Plus offices that were originally designed when Jobcentre Plus was created in 2002. It would be irresponsible not to do that. The reason we are doing that is twofold. People work with us in a different way, they communicate with us in a different way and, therefore, the need for as many local offices changes over time. More people use the phone. I think over half our business is through phone. People still write to us.

Q181 Justine Greening: So it is possible that there could be more than 577 offices closed is what you are saying?

Margaret Hodge: I am constantly reviewing it. The other thing to say is that when we are looking for the financial savings, and we are trying to get the organisations, we are trying to focus our resources absolutely on people on the frontline, if we can save money on offices and the costs that go with running an office and focus our resources on personal advisers, all these other people we have been talking about this morning, that is the right direction to go. I am working very closely with local MPs wherever we do propose any change in Jobcentre Plus, and there is a huge consultation that takes place and we take the decision very, very carefully.

Q182 Justine Greening: Do you think jobs bus is better use of taxpayer’s money than a Jobcentre Plus office?

Margaret Hodge: Do I think?

Q183 Justine Greening: A jobs bus, a mobile Jobcentre Plus office?

Margaret Hodge: Interestingly enough, I was talking to one particular local MP where we are talking about closing one of the offices in her constituency, and we have put a job bus in there and she thought it was not a very helpful alternative for her—that was her take on it—because of lack of confidentiality on a bus, it did not help, although the other way round, talking to the people who actually worked on the bus, they thought it was providing a good service. In rural areas it must make sense, where it is totally uneconomic to keep offices open, to have an alternative, and job bus would be one. The other thing we are looking at a lot is whether or not we cannot work together with local authorities and have adviser sessions in town halls, libraries, CAB offices. There is a whole range of alternatives that we are looking at, but I am determined that we should get as much of our money and as many of our resources focused on the front-line; so I am not shying away from looking at those decisions, difficult as it is to take them.

Q184 Chairman: We have run out of time, sadly.

Margaret Hodge: Good. We are quite relieved actually.

Q185 Chairman: Needless to say, there are further questions, if you could respond to those in writing. Thank you very much for you attendance today.

Margaret Hodge: Thank you.
Written evidence

Memorandum submitted by G Leith

INTRODUCTION

I am an ordinary member of the public who, following a spell of incapacity, needs to claim Income Based Jobseekers Allowance (IBJSA) until I find work. I would like to draw the attention of the Committee to my experience as I think I feel that the Customer Management System failed me.

BACKGROUND

At the beginning of September 2005 I made a claim for IBJSA.

On 23 September 2005, having been told that I would not receive any benefit until my partner made a joint claim I was referred to my local Welfare Rights by my councillor. Welfare Rights:
1. advised me to request a hardship payment;
2. drafted a request pointing out the legislation entitling me to benefit (s1(2)c Jobseekers Act 1995 and Regulation 3A of the Jobseekers Regulations 1996); and
3. advised me to request a written decision.

On 28 September 2005 I was told by the Jobcentre that my requests were refused and that I did not have a claim in. Welfare Rights advised me to reclaim and request (1)–(3) above plus again.

On 4 October 2005, despite my request for a written decision, I received a telephone call from the Jobcentre refusing my claim.

On 12 October 2005 I contacted my MP who wrote to the Jobcentre.

On 27 October 2005 I was referred to the CAB who telephoned a Jobcentre manager. This eventually resulted in my receiving payment eight weeks after my claim.

SUBMISSION

— The Jobcentre Plus appear to be unwilling or unable to follow their own Guidance;
— The Jobcentre Plus appear to be unwilling or unable to follow the law;
— The Jobcentre Plus failed to advise me on payments pending the decision on my claim to IBJSA;
— The Jobcentre Plus failed to issue written decisions: by not doing so, they effectively prevented me from exercising my right of appeal, effectively breaching Human Rights Act 1998; and
— I eventually received benefit only after the intervention of my local councillor, Welfare Rights, MP and CAB. Claimants without access to such services must rely on the Jobcentre Plus to treat them fairly and properly, which in my case did not happen.

G Leith
30 November 2005

Memorandum submitted by Wirral Advice Workers Forum

1. Wirral Advice Workers Forum brings together over 30 organisations and individuals concerned with benefits advice, including local CABs and local authority welfare rights workers. At our last three meetings, on October, November and December we had extensive discussions of local advisers’ experience and opinions, in particular as to as to the Jobcentre Plus Customer Management System. I have been asked to relay, briefly, our findings and concerns to the Committee.

2. In summary:
— we endorse publicly expressed concerns as to delays in making and processing claims;
— we are even more concerned about the effective denial of access to the benefits system the system imposes on many of the most vulnerable claimants;
— we are concerned about many reports of inaccurate advice and effectively unchallengeable decision making by unqualified first contact officers;
— we are concerned that the CMS appears to disregard benefits legislation in several respects; and
— on a positive note the ability under the CMS to assess all of a customers’ potential benefit entitlements is potentially useful if properly implemented.
3. DELAYS. Our experience is that it is taking between two and six weeks between the first call to the claims line and the first interview at a JCP. In other words this is the time taken to make a claim. Time for processing of a claim then has to be added.

Delays arise from difficulties getting through on the claims line; from difficulties completing the lengthy initial call due to lack of time, money or information; and difficulties completing the even longer call back for form completion.

Another issue that has arisen is that of error-ridden telephone completed claim packs. Not all claimants will be alert to possible errors. When they are alert we have been told that the computer system will only accept a limited number of error corrections, so that the entire claim pack has had to be re-completed.

4. DENIAL OF ACCESS. Many vulnerable people struggle to manage the new system. Particular problems our members have experienced with their clients include:

— hospital patients who cannot manage the process at all from their beds;
— people unable to afford the cost of the initial call;
— people with mental health problems unable to cope with the fairly lengthy initial call;
— people with learning difficulties or speech problems unable to make the initial call;
— the amount of information required to complete the initial call, which therefore requires considerable preparation, for which people care often not prepared; and
— people with complex or unusual circumstances being given wrong information on initial calls.

Many vulnerable people need assistance to make a claim from advisers or advocates but the new system prevents this assistance being provided—advisers and advocates may be able to assist with an initial call but cannot spare a four hour time slot to wait for a call back for form completion.

5. INACCURATE ADVICE. First contact officers are, we understand, largely untrained staff working to a script. We have received several reports of FCO’s giving inaccurate advice—recommending claims for inappropriate benefits and refusing to initiate claims for appropriate benefits. One example was a 17 year old pregnant woman being told to claim Maternity Allowance, for which she did not qualify, but not Income Support for which she did qualify.

What is particularly worrying about such reports is that FCO’s are effectively making decisions on people’s benefit entitlement, which they are not qualified to do—decisions against which there is no challenge.

6. DISREGARDING LEGISLATION. The benefits regulations still provide that the Department must issue claim forms free of charge on demand, and that any properly completed form received at the appropriate office constitutes a valid claim. Our invariable experience however is that FCO’s deny that claim forms can be issued; and refuse to issue them. Local JCP staff are often more co-operative.

7. RECOMMENDATIONS. Telephone claiming suits some people and has positive advantages if properly implemented. It is not in our view appropriate as the only means of access to the benefits system. The option of issuing and returning paper claim forms should be retained alongside tele-claims.

On tele-claims it is vital that FCO’s are properly trained with an ability to depart from their script in non-standard situations, and to issue paper claim forms. They should not see it as their role to block claims which the claimant wishes, or has been advised, to make. They should be facilitators and advisers not decision makers.

There should be a facility to call a claimant back on an initial call, to get over cost issues.

Richard Atkinson
14 December 2005

Memorandum submitted by Jobcentre Plus

1. INTRODUCTION

1.1 This memorandum provides the Department for Work and Pensions written contribution to the Work and Pensions Select Committee inquiry into the efficiency savings programme in Jobcentre Plus.

1.2 The memorandum explains the source and scale of the efficiency challenge in the Department and Jobcentre Plus. It describes Jobcentre Plus’ response to the efficiency challenge and addresses the specific issues referred to in the Committee’s announcement: employment and training programmes; the role and capacity of personal advisers; the performance of the Customer Management System (CMS); and the principles behind and the performance of Contact Centres. This memorandum supplements and builds upon the memorandum submitted to the Committee in November 2005 on Jobcentre Plus performance.
1.3 Jobcentre Plus was established as an executive agency of the Department for Work and Pensions on 1 April 2002, bringing together those parts of the former Benefits Agency that dealt with people of working age with the whole of the former employment service. The aim of Jobcentre Plus is to provide “work for those who can and support for those who cannot”. Annex A summarises Jobcentre Plus’ purpose, objectives and vision.

1.4 Jobcentre Plus contributes towards the department’s high-level objectives and PSA targets relating to employment and child poverty. The UK currently has the highest overall employment level on record, including the highest lone parent employment rate on record. The employment rate for ethnic minority people is rising faster than that for the population overall. Between 1998–99 and 2003–04 (the latest data available) the number of children living in relative low-income households fell. These are significant achievements, in which Jobcentre Plus has played a key role.

2. The Department’s Efficiency Challenge

2.1 In the 2004 Budget statement, the Chancellor set a challenge for all government departments to transform public services and achieve greater efficiency. Details of the challenge were set out in the Spending Review 2004 White Paper, which made use of evidence gathered by the Gershon review of public sector efficiency.

2.2 To demonstrate the achievement of efficiency savings, departments are required to show that there has been no diminution in performance and customer service by the end of the Spending Review 2004 period. The Department for Work and Pensions, along with other departments, has set out its methodology for measuring efficiency savings and performance in an Efficiency Technical Note, which is published on the Department for Work and Pensions and HM Treasury websites.

2.3 The department’s contribution to the Government’s efficiency challenge is to realise at least £960 million in efficiency gains by 2007–08. As part of that saving, the department must achieve a gross reduction in staffing of 40,000 posts with 10,000 of those posts redeployed to customer-facing roles. The Lyons Review also set the department a target of relocating 4,000 posts from London and the south east by 2010. The department intends to meet its Lyons target by March 2008.

2.4 The department has developed an efficiency programme to achieve its efficiency targets through a combination of measures across all of its central functions and agencies. For example, in Jobcentre Plus, measures include the continued rollout of the Jobcentre Plus business model, centralisation of benefit processing, and the direct payment of benefits into customers’ bank accounts.

3. Jobcentre Plus’ Response to the Efficiency Challenge

3.1 The efficiency targets announced by the Chancellor in the 2004 Budget statement are for the department as a whole. However, it is clear that all parts of the department will need to plan for reductions in their financial and headcount resources over the Spending Review 2004 period. Jobcentre Plus is currently planning to reduce its headcount to 65,650 full-time equivalents (FTE) by March 2008, a reduction of around 13,500 FTE from March 2004.

3.2 The delivery of Jobcentre Plus’ efficiency challenge in the Spending Review 2004 period must be seen in the context of the 6,000 FTE headcount reductions it had already achieved from its launch in April 2002 to the end of March 2004. These reductions were made primarily in management and support functions as part of the merger dividend of bringing together the Benefits Agency and the employment service. However, reductions were also made in benefit processing functions as a result of closer working.

3.3 In addition to these staff reductions, Jobcentre Plus will also redeploy substantial numbers of staff to customer-facing roles by March 2008, as the major contributor to the department’s target to redeploy 10,000 staff to customer-facing roles. This will mean increases in the number of staff dealing with customer telephone calls in contact centres, personal advisers, financial assessors and other roles in our network of local offices.

Delivering Business Transformation

3.4 Jobcentre Plus has developed detailed plans for making the efficiency savings required to live within resources during the Spending Review 2004 period. These plans are set out in a programme of change called the Delivering Our Vision Programme, which contains a number of key business transformation initiatives. The purpose of the Delivering Our Vision Programme is to introduce new and improved processes, structures and IT into the Agency, which will in turn lead to a headcount reduction whilst maintaining performance. There is a comprehensive programme of communication and engagement with people across Jobcentre Plus about the Delivering Our Vision Programme.
Key Business Transformation Initiatives

3.5 Organisation Design Review: a fundamental review was undertaken in late 2004–05 to develop new management and support structures that will underpin the way Jobcentre Plus delivers its services. The new structure:

— reduces the number of Jobcentre Plus Board level director posts from eight to six;
— retains national and regional geographical boundaries (Scotland, Wales and the nine English regions), but reduces the overall number of districts from 70 to 50;
— reduces the overall percentage of management and support staff in the organisation from 13% to 8% of total staffing;
— has leaner management structures with clearer accountabilities and less duplication; and
— has essential support services such as human resources and finance managed nationally, allowing customer-facing managers to focus on performance and improving service delivery.

Jobcentre Plus started implementing these changes in April 2005. Good progress is being made against implementation plans. The implementation will be complete by March 2008.

3.6 Jobcentre Plus Implementation Programme: the implementation of the Jobcentre Plus model involves new offices and services that:

— create a new, welcoming, professional environment for customers;
— modernise Jobcentre Plus’ services to customers, creating access to contact centre services, touch screen terminals, dedicated customer access telephones and the Internet;
— provide a personal service to customers, with personal advisers who can respond to individual needs and barriers to work; and
— most importantly, provide a wider range of customers with work-focused interviews to help them find a job.

The rollout of new offices and services will be substantially complete by July 2006, and the programme expects to deliver to the original £2.2 billion budget. As at 5 December 2005, 680 sites are operating the integrated service. A further 200 sites will open by July 2006, with a few remaining sites being opened in the autumn.

3.7 Benefit Centralisation: reducing the number of sites processing benefits by centralising into larger centres. The main aims of this programme are to reduce expenditure and enhance performance. Jobcentre Plus will:

— reduce the number of processing sites from approximately 650 to 77 sites, so getting better value from our buildings estate;
— create a sustainable platform to deliver improved accuracy, increased efficiency and productivity and produce economies of scale; and
— create a modernised working environment for staff, more direct management and staff satisfaction.

Planning is underway to develop a detailed timetable for the work; the overall programme of centralisation is due for completion by the end of March 2008.

3.8 Programme Protection: Jobcentre Plus’ success in tackling fraud will be further developed by the creation of a new national Fraud Investigation Service, which came into being on 3 October 2005, and will be rolled out nationally from April 2006. Detailed design work for the service continues, and major re-organisation and rationalisation is likely to coincide with the rollout of the supporting IT system in the first half of 2006–07. The new service will concentrate in particular on cases that are likely to result in a criminal sanction.

There is an additional strand of programme protection work to ensure customer compliance with benefits evidence requirements. A standard operating model has been produced and staff are currently being placed into the new job roles created by the model.

3.9 Benefit Processing Replacement and Working Age Transformation and Change: will develop a core IT platform as a foundation for modern flexible IT solutions to reduce the operating cost of legacy systems and to improve programme protection.

— Phase one of the programme will include a number of applications. An Employer Relationship Management system will manage information on employer customers and revitalise the way employers experience Jobcentre Plus services supporting targeted marketing activities and making it easier to match vacancies to customers. E-services will be introduced to alternative customer channels via the internet. A new Contact Management approach will be the first step in the provision of a fully integrated benefit processing system, leading to the replacement of legacy systems, and supporting the move towards a joined up network of contact centres. The Fraud Referral and Intervention Management System (FRAIMS) will allow all employees and members of the public to report suspected fraud via a standard Intranet or Internet-based form. The new approach will make handling referrals more streamlined. Phase one is expected to be complete by April 2006.
Phase 2 of the programme will include the replacement of the Income Support Computer System and the Customer Management System. It will automate clerical claims, support the capture of evidence from customers, provide a seamless service across conventional channels and feed online claims automatically into the new system. This will have a major impact on all business processes and affect the way most people work, and how they deliver services to customers. A detailed plan for Phase 2 is in preparation for February 2006.

3.10 Field Improvement Initiatives: implementing operational improvements including the Performance Improvement Methodology (PIM), which involves teams identifying areas for improvement and drawing up plans to address these and share best practice. This is a key activity for reducing performance variation and improving performance and productivity overall.

3.11 Payment Modernisation Programme: implementing a secure, efficient and accountable route for paying benefits. By promoting the use of direct payment into accounts that provide the most advantages to customers and that are the most cost effective for the Department this will:

- continue to improve the lives of Jobcentre Plus customers through modernising, improving and safeguarding the way benefits are paid;
- help the transition to work by having accounts open to receive wages;
- contribute to the Government’s agenda of improving financial and social inclusion by helping people onto the banking ladder; and
- contribute to the Department’s method of payment savings amounting to £20 million in the Spending Review 2004 period.

Jobcentre Plus is currently exceeding its key management indicator of 94.5% direct payment for all new and current customers. Staff are contacting the remaining customers still being paid by cheque to provide them with the help, support and advice they need to convert to direct payment.

4. Employment Programmes

4.1 Jobcentre Plus contracts with very large numbers of organisations from the private and not-for-profit sectors to provide local support to those customers who need help to find work. It has developed a procurement strategy that aims to promote and sustain the capacity of these providers across its district network while ensuring value for money.

4.2 Overall, budgets for employment programmes are somewhat tighter in 2005–06 than in earlier years and the pressure budgets will continue through this Spending Review period. So Jobcentre Plus must work to secure better value for money across all aspects of its procurement. There are many calls on the funding available for employment programmes. Jobcentre Plus has worked to ensure that the budgets support its priorities and that provision is in place for all those entitled to receive it.

4.3 Jobcentre Plus has looked critically at all of its provision to ensure that it gets the best possible value for money. There are three major elements to this:

- reviewing contracts: Jobcentre Plus reviewed its existing contracts earlier this year to identify those that were not delivering satisfactory results. This resulted in the early termination of 194 contracts and decisions not to extend a further 823 contracts. Following the review, there are 2,294 contracts in place, and we continue to keep these under scrutiny.
- focusing provision: in order to focus resource on priorities and provide full national access to provision for customers, it has been necessary to review the availability of some aspects of provision. This scrutiny was applied particularly to New Deals and Work Based Learning for Adults and resulted in the following outcomes:
  - provision in place nationally: where customers are required to participate in provision, for example, an option under the New deal for Young People or the Gateway to Work course. Jobcentre Plus must ensure that provision is available, at the appropriate time, for all those required to attend. Basic Skills and English for Speakers of Other Languages (ESOL) provision is also available in all districts.
  - refocused provision: New Deal provision has been targeted more closely to the needs of the local labour markets, with more relevant provision more likely to help get people into work. Expenditure on the Adviser Discretion Fund has been reduced and less provision is available for those not eligible for the New Deals.
  - piloting alternative approaches to contracting: Jobcentre Plus is piloting new approaches in Kent, the Black Country and Scotland. These will examine the extent to which the Agency could obtain better value for money through asking bidders to compete more directly on price and placing a greater emphasis on paying for outcomes rather than provision. These contracts are planned to be in place from April 2006.

Jobcentre Plus is reviewing its contracting arrangements to optimise the outcomes from its relationships with partners and providers, to help more customers back to work and to maximise value for money.
5. The Capacity and Role of Personal Advisers

5.1 Jobcentre Plus Advisers provide personal, specialist support to customers needing additional help to move into work. This Adviser support takes into account the customer’s individual skills, experience needs and readiness for work. Advisers are key to the success of Jobcentre Plus, and their role is continually reviewed to ensure they are supported in achieving their objective of helping customers into suitable work.

5.2 Jobcentre Plus has implemented efficiencies in the advisory service that will help to improve performance by enabling advisers to focus on their core role. Savings resulting from these efficiencies will be re-invested in the advisory service. The efficiencies have:

- removed clerical tasks from the adviser role and allocated them to adviser administrative support officers;
- removed the need for advisers to maintain clerical statistics; and
- produced better invitation to interview letters to improve the number of customers who attend their appointments, as part of a broader range of activities to improve customer attendance rates.

5.3 Advisers have been provided with a suite of products to support them in achieving and improving Jobcentre Plus job entry performance, and to provide a consistent, systematic and sound framework that will enable Advisers and their managers to work more effectively and efficiently. The product set includes:

- a performance improvement tool which measures each adviser’s performance against their individual job entry target and highlights advisers needing additional management support to achieve their targets;
- an enhanced quality assurance framework which enables adviser managers to assess every adviser’s skills and knowledge levels against set quality standards;
- an on-line skills assessment tool that enables adviser managers to develop an individual learning and development plan to address skills and knowledge gaps they identify for advisers; and
- new learning products for advisers and adviser managers, including an adviser skills DVD.

5.4 In March 2004, Jobcentre Plus employed approximately 10,300 FTE advisers. By March 2008, this is expected to have increased to 12,300 FTE. This increase is a result of Jobcentre Plus implementation, which provides a wider range of customers with work-focused interviews to help them find a job, and the extension of the Incapacity Benefit Pathways approach, offering more help into work for these customers.

6. Principles and Performance of Contact Centres Principles

6.1 Jobcentre Plus first introduced contact centres to help deliver its services to employers, for example by taking vacancies and responding to queries. Following this, it also developed contact centres as part of its move to the new Jobcentre Plus model (see paragraph 3.6 above). The rationale for developing the contact centre network has arisen from three main drivers:

- a direct response to the Government’s modernisation programme requiring services to be built that improve the efficiency, effectiveness and flexibility of customer processes through investment in the latest technology and business methods. This programme included the development of contact centres, the internet job bank and jobpoints, which enable customers to access Jobcentre Plus services at times that suit them;
- the need to generate operational efficiencies. As part of this process, those customers who are able to help themselves are encouraged to do so by taking advantage of telephone and internet services and jobpoints. These channels are more cost effective to Jobcentre Plus and provide more choice for the customer; and
- by introducing a wider range of channels, with easy access for customers who are best placed to use them, Jobcentre Plus staff are able to concentrate on those customers who need more help in finding work by providing services through face to face support in local offices.

Performance

6.2 Jobcentre Plus is engaged in a massive change programme. It is modernising and improving its services to provide easier access for all customers, irrespective of their geographical location. The scale of the change has created challenges in maintaining levels of service to customers. As a result of this, customers experienced difficulties getting through to some of our contact centres over the summer.

6.3 Measures are in place to address these difficulties. Nine of the 22 contact centres introduced temporary adjustments to streamline business processes to maintain customer service during the transition period. Recruitment plans were accelerated across the network, supported by robust training programmes. These plans have been successful and customer service has improved for 13 consecutive weeks since the beginning of September. Contact centres will move back to the full process only when Jobcentre Plus is confident that it can protect customer service. The migration back to the full process started in December with the Pembroke Dock Contact Centre.
6.4 Jobcentre Plus’ service standard is to answer 90% of all calls; in November 2005 the average performance was 92.4%. This is an improvement over September 2005, when an average of 75.8% of calls made were answered.

6.5 Jobcentre Plus aims to arrange an outbound call to the customer within 24 hours of the first contact. The latest information available is for week ending 25 November 2005, when on average across the contact centre network, outbound calls were being booked for 1.6 days ahead. At the beginning of September 2005, outbound calls were being booked for 5.5 days ahead, so performance has improved significantly.

7. **The Performance of the Customer Management System (CMS)**

7.1 The Customer Management System (CMS) supports the new Jobcentre Plus process for people making a new or repeat claim to working age benefits. The process is designed to ensure accurate and timely delivery of benefits and to underpin the delivery of a work-focused service. Jobcentre Plus is not therefore simply introducing a new IT system to automate an established process but is radically changing the process that system supports. The changes affect, and are visible to, staff and customers. In particular:

- customers make initial contact by telephone to a Contact Centre and preliminary details are taken to establish their basic entitlement and to determine which benefits can be claimed;
- contact centre staff call back the customer at a pre-arranged time to gather full details of the customer’s claim electronically and/or to send forms for associated benefits;
- contact centre staff decide with the customer whether a work focused interview with a personal adviser is appropriate, and book the interview, preceded by a meeting with a financial assessor; and
- the financial assessor clarifies the action needed for the claim to be processed and obtains a customer signature. When these actions are complete, CMS is updated and the claim is transferred to benefit processing teams for final processing. Processing is done electronically for income support and jobseeker’s allowance and clerically for incapacity benefit.

7.2 In the initial period after CMS implementation, there were difficulties in terms of speed, capacity and reliability of the system. The majority of these problems were not entirely related to CMS itself but to the old, legacy IT systems that CMS interfaces with. However, a series of technical releases have largely addressed these issues and the system is now performing as designed and within agreed service levels. Performance is under continual review between Jobcentre Plus and its third party suppliers to support a managed programme of further improvement to ensure the best performance possible.

7.3 With any major change there is often a period of settling in; and this has been the case with CMS and the new processes that it supports. Customers have experienced difficulties getting through to some contact centres. The difficulties were due to a number of factors, but not directly as a result of CMS failures.

7.4 It was always intended that CMS would be developed and enhanced in a series of new releases as is common practice with major IT projects. Since implementation, a number of improvements have been made that have significantly improved the performance of the system. These are:

- CMS Release 3 was implemented 31 October 2005. This was driven by user feedback. Improvements included reduction in clerical products supporting the process, quicker access to the system and improved layout of certain screens. Feedback from staff has been positive;
- CMS Release 3.1 was introduced on 14 November 2005 as planned, and included technical and some functional changes;
- release 3.2 is scheduled for the end of January 2006 to fix minor live problems and implement some small changes. This will further improve performance and process.

7.5 There are several issues that are contributing to the current performance challenges. These are summarised below:

- contact centres have faced the difficult task of recruiting and training a new workforce, often with little or no prior experience in the business and, therefore, of benefit issues. The required knowledge and skills are taking time to develop, although underpinning learning and development products are in place;
- the new process represents a significant change to the way services are delivered. Staff have to adapt to this change and inevitably the process will take some time to bed in.
8. **Progress to Date on the Efficiency Challenge (2005–06)**

*Headcount and Financial Position*

8.1 Jobcentre Plus has a good record in meeting its efficiency challenges. From its launch in April 2002 to the end of March 2005, the Agency reduced its staff numbers by over 11,000 FTE. At the end of March 2005, Jobcentre Plus employed 73,900 FTE, and plans to reduce to 65,650 FTE by March 2008. This means a reduction of around 8,000 FTE in the Spending Review 2004 period. The latest headcount position at 31 October 2005 showed that Jobcentre Plus employed 72,519 FTE, a reduction of 1,381 FTE since March 2005.

8.2 Jobcentre Plus is also contributing to the Department’s target to increase the number of staff in customer-facing roles by the equivalent of 10,000 posts. Jobcentre Plus will contribute the equivalent of around 9,000 posts, primarily through the Jobcentre Plus Implementation Programme. The increases in customer-facing posts will be in staff working in contact centres, Personal Advisers, Financial Assessors and Floor Managers. Movement towards achievement of this target is monitored quarterly; in the period from March 2004 to September 2005, Jobcentre Plus had increased the number of staff in these roles by the equivalent of 4,200 posts.

8.3 Latest forecasts on Jobcentre Plus core budgets for 2005–06 show a small projected overspend. However, it is planned to manage this through a transfer of surplus funding in change budgets to core, which will align the funding for small projects to where the expenditure is incurred. For employment programme budgets, 2005–06 is likely to be the most difficult year of the Spending Review 2004 period. There was a significant overspend from 2004–05 to be addressed, and an additional reduction in budgets implicit within the Spending Review 2004 settlement. Latest forecasts show a projected overspend. Jobcentre Plus is taking action to reduce the overspend, as explained in section four of this memorandum, and is focusing its employment and training expenditure on mandatory provision and essential ministerial priorities.

*Performance*

8.4 Jobcentre Plus performance data to the end of October 2005, summarised in Annex B, indicates that the Agency is on schedule to hit four of its six performance targets in 2005–06. Performance on job entry points is 6.5% below the internal October 2005 profile; this is an improvement on the September 2005 performance, which was 7% below profile. However, the latest performance data does not yet reflect the full impact of Jobcentre Plus’ National Action Plan, which is aimed at recovering job entry performance. Jobcentre Plus will forward to the Committee the most recent performance data when it becomes available. The plan includes action on helping personal advisers to improve effectiveness, employer-related services and detailed performance improvement planning to support delivery of the target in the final quarter of 2005–06. The chief operating officer has implemented regular reviews against the plan to ensure that all parts of the organisation are contributing towards delivery of the target.


9.1 Jobcentre Plus will continue to reduce its staffing as it modernises it processes, amounting to a further reduction of 7,000 FTE by March 2008. This is demanding, and means the agency will have reduced by 20,000 posts (nearly 25%) since it was formed in 2002. However, these reductions should not have a detrimental effect on performance.

9.2 Jobcentre Plus expects to be able to balance its core budget over the Spending Review 2004 period. There are unlikely to be any significant surpluses in the core budget but any pressures should be manageable within existing budget cover.

10. **Conclusion**

10.1 Jobcentre Plus is engaged in a complex and challenging transformation programme to enable the delivery of high quality services using up to date methods equal to the best in the public and private sectors, whilst retaining the capacity for personal support for those who have particular difficulties. This programme of change will take time to deliver and will be carried forward through a series of initiatives that will progressively enhance services and reduce the resources required. The programme is well under way and will show increasing benefits over the next two years. Jobcentre Plus is cautiously confident that it will be able to balance these demands successfully.
JOBCENTRE PLUS PURPOSE, OBJECTIVES AND VISION

JOBCENTRE PLUS PURPOSE

The purpose of Jobcentre Plus is to provide “work for those who can, and support for those who cannot”, by:

— helping disadvantaged people into work, as a route out of poverty;
— providing financial support as a safety net for people of working age while they are out of work;
— addressing inequalities of opportunity;
— protecting the integrity of the benefit system; and
— working with employers and partners to address market failure in the labour market.

JOBCENTRE PLUS OBJECTIVES

— Increase the effective supply of labour by promoting work as the best form of welfare and helping unemployed and economically inactive people move into employment.
— Work towards parity of outcome for ethnic minority customers.
— Pay customers the correct benefit at the right time and protect the benefit system from fraud, error and abuse.
— Provide high-quality and demand-led services to employers, which help fill job vacancies quickly and effectively with well-prepared and motivated employees.
— Help people facing the greatest barriers to employment to compete effectively in the labour market and move into and remain in work.
— Improve continuously the quality, accessibility and delivery of services to all customers.
— Ensure that people receiving working age benefits fulfil their responsibilities while providing appropriate help and support for those without work.
— Increase Jobcentre Plus’ overall productivity, efficiency and effectiveness.

JOBCENTRE PLUS VISION

Economic and social impact

We will make a real and lasting difference to people’s lives, and to the wider community, through our expert understanding of the job market and of the help and benefits we can make available.

Employer service

We will take the initiative in meeting the needs of our employer customers and search out jobs that best match the potential of individuals, particularly those who most need this help.

Customer focus and Integrated Delivery

We will offer personal, dedicated and informed support for customers who need it most, delivering value for money services through high quality, modern channels that are easy to use.

Employee engagement

We will be inspired by, and passionate about, being part of a professional, integrated team that makes a real difference.
SUMMARY OF JOBCENTRE PLUS PERFORMANCE IN 2005–06

<table>
<thead>
<tr>
<th>Target/KMI</th>
<th>Profile</th>
<th>Achievement to October 2005</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Entries</td>
<td>To achieve a total points score of 6,659,148 based on job entry outcomes that Jobcentre Plus achieves. Profile of 3,949,149 to the end of September 2005</td>
<td>3,692,776</td>
<td>−6.50%</td>
</tr>
<tr>
<td>Monetary Value of Fraud and Error</td>
<td>By March 05, to reduce losses from fraud and error in working age Income Support and Jobseeker’s Allowance to no more than 6% of the monetary value of these benefits paid during the year.</td>
<td>6.1% to September 2004 (interim published figures)*</td>
<td>−0.1%</td>
</tr>
<tr>
<td>Employer Outcome Target</td>
<td>At least 84% of employers placing their vacancies with Jobcentre Plus will have a positive outcome based on employer perceptions of the service provided.</td>
<td>87.1%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Customer Service Target</td>
<td>To achieve an 81% customer service level in the delivery of the standards and commitments set out the Customers’ and Employers’ Charters.</td>
<td>84.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Business Delivery Target</td>
<td>To ensure that specified key Jobcentre Plus business processes are delivered efficiently, accurately and to specified standards in 90.3% of cases checked.</td>
<td>91.2% (to August 2005)</td>
<td>0.9%</td>
</tr>
<tr>
<td>Unit Costs</td>
<td>Planning Assumptions to achieve the target are: Job Broking—£217.03 and Benefit Processing—£28.24</td>
<td>£221.56</td>
<td>−2.05%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£31.37</td>
<td>−9.98%</td>
</tr>
</tbody>
</table>

— Due to the inherent measurement time lags, latest performance quoted is against the March 2005 target. The March 2006 target of 5.2% will be reported on in due course.

December 2005

First supplementary memorandum from Jobcentre Plus

1. The Jobcentre Plus memorandum (ES03 para 8.1) states that the latest headcount position at 31 October 2005 was 72,519 FTE. What are the figures for 30 November and 31 December?

The Office of National Statistics (ONS) has recently introduced a standard definition for all public sector employment statistics. The changes were introduced into the Department with the November 2005 staffing data set. The definition is based on the principle that staff numbers should reflect all employees who are being paid. The previous definition excluded staff who were paid but not working, for example staff on paid maternity leave. In overall terms this definitional change will add around 2,000 to the Department’s published figures. (Whilst the change alters the baseline and end point, the target figure of a 30,000 reduction in staff therefore is not affected.)

In order to be able to compare the data from November onwards it is necessary to recalculate the headcount position retrospectively and also the target headcount figures moving forward.

The table below provides details of the revised headcount targets using the revised ONS definitions.

<table>
<thead>
<tr>
<th>Date</th>
<th>Original Headcount Target</th>
<th>Revised ONS Headcount Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 February 2004</td>
<td>80,897</td>
<td>82,067</td>
</tr>
<tr>
<td>(Efficiency baseline actual position)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 March 2005</td>
<td>77,550</td>
<td>78,700</td>
</tr>
<tr>
<td>31 March 2006</td>
<td>70,200</td>
<td>71,350</td>
</tr>
<tr>
<td>31 March 2007</td>
<td>67,550</td>
<td>68,700</td>
</tr>
<tr>
<td>31 March 2008</td>
<td>65,650</td>
<td>66,850</td>
</tr>
</tbody>
</table>
The actual headcount position at 31 October 2005, based on the new definitions, is 73,483. (This was previously reported as 72,519). The headcount position at 30 November 2005 was 73,363. Data for 31 December 2005 is not yet available.

2. Can these reductions be broken down (a) by grade (b) by region and (c) by function/job type?

The reductions made to date can be broken down by Grade. It is not possible to provide a breakdown by function/job type, because data suitable for measuring headcount reductions is not recorded in this format. The Department is currently in the process of refreshing all historical data to take account of the revised ONS definitions; within the timescales available it has not been possible to obtain revised data by Government Office Region.

### HEADCOUNT REDUCTIONS BY GRADE

<table>
<thead>
<tr>
<th>Payband</th>
<th>Headcount 28 Feb 2004 (FTE)</th>
<th>Headcount 30 Nov 2005 (FTE)</th>
<th>Reduction (FTE)</th>
<th>Reduction %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCS</td>
<td>53</td>
<td>47</td>
<td>6</td>
<td>11%</td>
</tr>
<tr>
<td>Band G (Grade 6)</td>
<td>159</td>
<td>145</td>
<td>14</td>
<td>9%</td>
</tr>
<tr>
<td>Band F (Grade 7)</td>
<td>382</td>
<td>351</td>
<td>31</td>
<td>8%</td>
</tr>
<tr>
<td>Band E (SEO)</td>
<td>1,309</td>
<td>1,268</td>
<td>41</td>
<td>3%</td>
</tr>
<tr>
<td>Band D (HEO)</td>
<td>4,321</td>
<td>3,933</td>
<td>388</td>
<td>9%</td>
</tr>
<tr>
<td>Band C (EO)</td>
<td>28,907</td>
<td>27,053</td>
<td>1,854</td>
<td>6%</td>
</tr>
<tr>
<td>Band B (AO)</td>
<td>40,686</td>
<td>36,153</td>
<td>4,533</td>
<td>11%</td>
</tr>
<tr>
<td>Band A (AA)</td>
<td>6,249</td>
<td>4,413</td>
<td>1,836</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>82,066</td>
<td>73,363</td>
<td>8,703</td>
<td>11%</td>
</tr>
</tbody>
</table>

Total may not sum due to rounding.

The table above details reductions by grade to date. Jobcentre Plus is currently implementing its Organisational Design Review and as it moves forward, anticipates greater levels of reductions at management grades (band D and above).

3. What is the average length of service and turnover rate in Contact Centres, broken down into the following categories: (a) staff redeployed from elsewhere in DWP (b) staff recruited directly for the Contact Centre (c) others? Is there aggregated data on performance levels, broken down into the same categories?

The detailed data set that you have requested is not available.

The following table shows staff leavers by length of service for Jobcentre Plus Contact Centres. Historically, turnover rates for new entrants have always been higher than those with longer lengths of service. Contact Centres have a higher number of new entrants and therefore higher turnover rates.

### JOBCENTRE PLUS CONTACT CENTRES

Number of people leaving (Staff in post figure) 1 Mar 04 to 30 Nov 05

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–3 months</td>
<td>169</td>
</tr>
<tr>
<td>4–6 months</td>
<td>114</td>
</tr>
<tr>
<td>7–9 months</td>
<td>83</td>
</tr>
<tr>
<td>10–12 months</td>
<td>81</td>
</tr>
<tr>
<td>1–2 years</td>
<td>228</td>
</tr>
<tr>
<td>2–5 years</td>
<td>274</td>
</tr>
<tr>
<td>5–10 years</td>
<td>73</td>
</tr>
<tr>
<td>10–15 years</td>
<td>24</td>
</tr>
<tr>
<td>15–20 years</td>
<td>21</td>
</tr>
<tr>
<td>20–25 years</td>
<td>17</td>
</tr>
<tr>
<td>25–30 years</td>
<td>11</td>
</tr>
<tr>
<td>30–35 years</td>
<td>6</td>
</tr>
<tr>
<td>35–40 years</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>1,104</td>
</tr>
</tbody>
</table>
4. Are there targets for the contribution of Jobcentre Plus to the Department’s financial savings? If so, what financial progress had been made towards realisation of these gains as at 31 March 2005 and what are your projections for 31 March 2006, 31 March 2007 and 31 March 2008?

Jobcentre Plus does not have explicit targets for its contribution towards the Department’s financial savings.

However, Jobcentre Plus has a budget agreed with the Department and therefore its contribution to the Department’s financial savings is determined by whether it can live within that budget. The Department is judged to have met its financial savings targets by whether it can live within its total allocation for the Spending Review 2004 period.

Progress towards realising savings can be measured by Jobcentre Plus and the Department living within its budget allocations. By this measure, Jobcentre Plus is on track to make the required savings as it expects to live within budget in 2005–06, and has plans to do so in 2006–07 and 2007–08.

5. One point raised when Lesley Strathie gave evidence was that performance against the job entry target had deteriorated. She acknowledged this, but told the Committee (Q22) “I am delighted to say that week four’s performance this month has not only shown a significant leap in job entries, but in job entry points.” Can you update this figure?

The latest Job Entry Point performance figures for December show a 1.3% increase against profile. This is an improvement of 3.4 percentage points from the November figure of −2.1%. At the end of December, the year to date position is now 5.3% below profile, an improvement of 0.6 percentage points on November’s year to date figure of −5.9%.

This is the first month since April that Job Entry Point performance has been above profile and indicates a steady improvement since the implementation of the National Action Plan (NAP), in late August/early September. The table below sets out our performance against target for each month this year.

<table>
<thead>
<tr>
<th>Date 2005</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>In month variance against profile</td>
<td>3.2%</td>
<td>−8.2%</td>
<td>−10%</td>
<td>−5.3%</td>
<td>−11.2%</td>
<td>−8.5%</td>
<td>−3.8%</td>
<td>−2.1%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

By the end of December Jobcentre Plus had helped 631,421 people into work. Provisional figures for the first week in January show performance is being maintained above profile.

6. Members of the Committee have been told when visiting offices that there will be “no planned headcount reductions”? However, at the same office, they have been told that staff who are leaving are not being replaced. Does “no planned headcount reductions” mean “no headcount reductions” or “no action will be taken to reduce headcount, but no action will be taken to maintain it” or something else?

Without details of the offices where these comments were made it is difficult to state with absolute confidence what the staff meant.

With the exception of contact centres most offices across the country will see some reduction in headcount. In some offices these reductions can be achieved through natural wastage, and therefore no management intervention is required to ensure headcount targets are met. At other offices natural wastage will not be sufficient to reach the headcount target and managers will need to take action to reduce it.

The Role of Personal Advisers

7. The Committee gathers that “Red, Amber and Green” performance monitoring tools are being used for Personal Advisers. Can you define these tools? Is there a breakdown for the proportion of PAs currently in each category?

**Red, Amber, Green Tool (RAG)**

The RAG is a district performance improvement tool that measures adviser’s performance against their original job entry target and highlights advisers needing additional management support to meet their targets. It should be used with other tools to support adviser’s development and performance.

Any advisers falling into the “amber” or “red” categories on the RAG have a personal development plan of improvements that is reviewed at least monthly. This continues until they achieve a “green” rating. A district performance improvement board meets monthly to address specific cases where advisers are consistently “red”.

The RAG was launched in September 2005; the latest available figures on the Red Amber Green status of advisers are shown at Appendix 1. However it can only be used in its current format until the end of the operational year. After this date another tool will be needed to accommodate the change to the Job Outcome Target (JOT).
THE PERFORMANCE OF THE CUSTOMER MANAGEMENT SYSTEM

8. Further to the details of the CMS business case sent to the Committee on 22 November:

(a) could Jobcentre Plus reconsider the decision not to provide certain annexes related to commercial contracts, particularly as similar information has been provided for the CMS3 case?

The Committee was provided with the CMS business case excluding three annexes which contained lines of commercially confidential information. This information needs to remain confidential in order to enable the Department to secure best value for money in its future commercial dealings. Appendix 2 shows the information in the annexes but without showing the specific breakdown of contractual costs contract by contract.

(b) has the Office of Government Commerce, as part of the Gateway Review process, commented on either business case? If they have, did they give the required quality assurance? If quality assurance was not provided would Jobcentre Plus be willing to share OGC’s comments with the Committee?

The Office of Government Commerce last undertook a Gateway Review of CMS in May 2003. The review was a Gateway 3 Review “Investment Decision”.

All Office of Government Commerce (OGC) Gateway Reviews are conducted on a confidential basis for the Senior Responsible Owner (SRO) and ownership of the report rests with the SRO. This approach promotes an open and honest exchange between the programme/project and review teams delivering maximum added value. The DWP has a strong record in adopting OGC policy and best practice initiatives and all the Department’s Mission Critical/High and Medium Risk Projects are subject to OGC Gateway Reviews. The Department does not publish Gateway Review Reports as a matter of course, in line with OGC policy. OGC and departments have received a number of Gateway requests under Freedom of Information and the first of these is currently on appeal to the Information Commissioner.

Jobcentre Plus Internal Assurance Service completed a full independent examination of the CMS business case and gave a “substantial assurance” grading.

(c) On the CMS3 business case, Annex 1 (page 11 of 16) shows 2 tables, relating to the calculation of annual CMS savings. One is meant to relate CMS R3 to pre-CMS, one CMS3 to CMS2. However the tables are the same. Could these figures be examined and, if necessary, corrected?

It would perhaps have been more helpful to display just one table in Annex 1.

The tables represent the starting point of the calculations of the annual CMS savings and show simply the savings achieved or costs avoided by CMS Release 3. This was deemed to be the same for offices using CMS 2 and offices that were not using any form of CMS. Annex 2 of the business case shows the savings achieved or costs avoided depending on how many offices had CMS 2 and how many had not any form of CMS.

9. The CMS business case outlines the following risks:

— supplier viability coming into question;
— actual inbound and outbound timings varying from the estimates—there is a financial charge of about £1 million nationally if the timings vary by one minute;
— all people costs (training, backfill, clerical processes) not being identified;
— the system not delivering the AME savings or introducing additional errors into the system;
— delays in implementation.

10. Can Jobcentre Plus confirm whether the problems with CMS have resulted in any of these risks being realised?

Supplier viability coming into question. Risk not realised to date. This will be subject to continual monitoring.

Actual timings varying from estimates. It is still too early to confirm the extent to which actual times in steady state will vary from the estimates. Unsurprisingly, given the magnitude of the change in the way of doing business and the time needed for the new processes to bed down, there is some evidence that actuals have been different to the original estimates and this has been addressed as appropriate eg by the local redeployment of resources. As the Committee would expect, this is being kept under review.

All people costs not being identified. Broadly the estimates for training and backfill have proved adequate.

The system not delivering the AME savings or introducing additional errors. The AME savings were related to the gradual elimination of some of the official and customer errors and were expected to take time to feed through. As far as can be ascertained there are no new errors which are attributable to the CMS IT system.
Delays in implementation. Although the implementation was not absolutely in line with the original estimates, the realisation of savings in the business case was scheduled in such a way that the delays have had no significant financial consequences.

Contact Centres

11. The table below compiles the figures contained in the various written answers and memoranda received. The Committee wishes to develop as full a picture as it can of the historical and current performance of Jobcentre Plus. This table is a first framework for setting out this information. While there are some specific questions, it would also be helpful if Jobcentre Plus could look at the table and comment on its structure, and offer other relevant information that would be helpful to the Committee.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Comments and statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calling Contact Centre (inbound call)</td>
<td>Jobcentre Plus’ service standard is to answer 90% of all calls; in November 2005 the average performance was 92.4%. This is an improvement over September 2005, when an average of 75.8% of calls made were answered.</td>
</tr>
<tr>
<td></td>
<td>Information on abandoned calls per Contact Centre was set out in a recent Written Answer and showed a decrease.</td>
</tr>
<tr>
<td></td>
<td>Can Jobcentre Plus provide information on (a) the mean and (b) the median time that customers wait for their calls to be answered?</td>
</tr>
<tr>
<td></td>
<td>Jobcentre Plus response: the objective is to answer 80% of calls within 20 seconds. In December 84.5% were answered; First Contact—82% and Jobseeker Direct—86.7% Jobcentre Plus does not measure the average time that a customer waits for their call to be answered.</td>
</tr>
<tr>
<td></td>
<td>CPAG (ES 05) para 12 Times vary: Advisers take two to three days of constant phoning (Dundee CC); four days to a week (Ilford CC) and 10 to 15 minutes of continual dialling (advisers in part of Scotland). Advisers made the comment that there is a need for an advisers’ line.</td>
</tr>
<tr>
<td></td>
<td>Jobcentre Plus response: These observations are too inspecific in terms of time to be directly examined. However, the latest information available is for December 2005, when the Dundee centre answered 93.8% of First Contact calls. Contact centres in Scotland were answering well over the target of 90% of calls in December, and in the Paisley centre, it was 97.1%. The Ilford contact centre closed in June 2005.</td>
</tr>
<tr>
<td>Callback (outbound call)</td>
<td>Jobcentre Plus aims to arrange an outbound call to the customer within 24 hours of the first contact. The latest information available is for week ending 25th November 2005, when on average across the contact centre network, outbound calls were being booked for 1.6 days ahead. At the beginning of September 2005, outbound calls were being booked for 5.5 days ahead, so performance has improved significantly.</td>
</tr>
<tr>
<td></td>
<td>Evidence with Jobcentre Plus Q61 “our target is two days” and Q62 “our best is one day and worst is 10 days.”</td>
</tr>
<tr>
<td></td>
<td>Can Jobcentre Plus update this figure, with an indication of how it varies across the country?</td>
</tr>
<tr>
<td></td>
<td>Jobcentre Plus response: the aim is to arrange for an outbound call within 24 hours. The latest information available is for December 2005, when on average calls were booked within 24 hours. The shortest was within the same day and the longest was within two days.</td>
</tr>
<tr>
<td>First interview at a Jobcentre Plus office with Financial Adviser and Personal Adviser</td>
<td>Wirral Advice Workers Forum (ES 02) (para 3) “it is taking between 2 and 6 weeks between the first call to the claims line and the first interview at a JCP . . . Time for processing of a claim then has to be added.”</td>
</tr>
<tr>
<td></td>
<td>CPAG (ES 05) para 26: We understand that the system has resulted in increased delays before claimants have interviews at local offices and are paid benefit. However in north London it was taking five days to obtain an interview, Walthamstow 7–14 days and Oxford up to three weeks; the information in other areas was unclear</td>
</tr>
<tr>
<td></td>
<td>Written Answer 12 December 2005 col 1769 gave sample waiting times: week ending 16/9: 7.2 days; 23/9: 7.7; 30/9: 8.0; 7/10: 7.8; 14/10: 8.5; 21/20: 8.0; 28/10: 7.6.</td>
</tr>
</tbody>
</table>
Stage

Can Jobcentre Plus provide further information about the average length of time taken between the outbound call and the Work Focused interview, with an indication of how this differs across the country?

Jobcentre Plus response: the information provided above is the latest available and was provided by sampling across a number of outlets. This has proven too costly to continue given Jobcentre Plus resource pressures. However, it is recognised that further work is required to improve performance and this will be taken forward as part of the development of and improvement of the process.

Payment

CPAG (ES 05): Advisers are not in a position to give a clear picture of how long it is taking to process claims from the initial contact to actual payment but this is information we need. Para 15 of the TUC memorandum (ES 04) states “The TUC has heard from more than one Centre that clients are waiting four or five weeks before they receive their first payment—the record is currently 13 weeks. In these circumstances claimants have to rely on Crisis Loans.”

During the evidence session with Jobcentre Plus (Q26) the following targets were given (with the performance in brackets: Income Support 12 (10.8), Jobseekers Allowance 12 (13.5) and Incapacity Benefit 19 (15.2).

Can Jobcentre Plus provide further information about length of time from initial contact to actual payment, again with an indication of how this varies across the country?

Jobcentre Plus response: the latest information shows that in the year to date to November 2005, Jobcentre Plus is meeting its key management indicators (KMI) for clearance of Income Support and Incapacity Benefit, but not for Jobseeker’s Allowance.

Performance varies across the Jobcentre Plus regions as follows (using latest year to date information):
— Income Support: from 8.7 days in the North East to 13.9 days in the South East. Nine of the 11 regions are meeting the KMI of 12 days.
— Jobseeker’s Allowance: from 10.7 days in Wales to 18.1 days in the South East. One of the 11 regions is meeting the KMI of 12 days.
— Incapacity Benefit: from 12.8 days in Wales to 19.7 days in the South West. Ten of the 11 regions are meeting the KMI of 19 days.

The following table gives the latest performance on actual average clearance times from initial contact to payment for all Jobcentre Plus regions.

CLEARANCE OF CLAIMS—NOVEMBER 2005

<table>
<thead>
<tr>
<th>Field Directorate</th>
<th>Average Actual Clearance Times in days (AACT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IS Claims</td>
</tr>
<tr>
<td></td>
<td>Latest In mth</td>
</tr>
<tr>
<td>East Midlands</td>
<td>12.2</td>
</tr>
<tr>
<td>East of England</td>
<td>12.9</td>
</tr>
<tr>
<td>London</td>
<td>11.9</td>
</tr>
<tr>
<td>North East</td>
<td>10.2</td>
</tr>
<tr>
<td>North West</td>
<td>9.8</td>
</tr>
<tr>
<td>South East</td>
<td>16.4</td>
</tr>
<tr>
<td>South West</td>
<td>13.6</td>
</tr>
<tr>
<td>West Midlands</td>
<td>10.9</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>10.7</td>
</tr>
<tr>
<td>Scotland</td>
<td>9.3</td>
</tr>
<tr>
<td>Wales</td>
<td>11.8</td>
</tr>
<tr>
<td>National Total</td>
<td>11.7</td>
</tr>
</tbody>
</table>
12. Wirral Advice Workers Forum (ES2) (para 3): “Another issue that has arisen is that of error-ridden telephone completed claim packs. Not all claimants will be alert to possible errors. When they are alert we have been told that the computer system will only accept a limited number of error corrections, so that the entire claim pack has had to be re-completed.” CPAG (ES 05) para 20 also notes this problem. Does Jobcentre Plus have statistics on the proportion of forms issued by Contact Centres which have significant levels of inaccuracies or have to be re-completed?

When a customer first makes contact to make a claim they are asked a series of questions about themselves, their partner and any dependants. The Customer Management System (CMS) uses this information to establish potential eligibility to working age benefits. Once the customer confirms which benefit(s) they wish to claim an outbound call is booked to complete the claims gather electronically.

Once the outbound call is complete a customer statement is produced and sent to the customer to check, sign and take to their local office for their Financial Assessor/Work Focused Interview.

If the customer, First Contact Officer or Financial Assessor identifies that information given or recorded during the inbound call was incorrect then the claim will need to be withdrawn and will need to be re-entered. The information gathered during the inbound call cannot be amended because this information is used to determine the customer/partner’s potential eligibility and therefore any changes may impact on the eligibility originally identified ie it needs to be retested.

Any number of changes can be made to information given during the outbound call, at any stage prior to accepting the customer statement through CMS.

Amendments/additions to the information gathered in the outbound call can be updated on CMS by First Contact Officers in contact centres during or following the outbound call, or by local service outlet staff depending when the “change” is identified.

Although there is a case history recorded on CMS for each individual case, detailing that amendments have been made, Jobcentre Plus does not currently track these occurrences or produce management information to support the occurrences.

STAFF SURVEY

13. When will the results of the 2005 staff survey be available? (A Written Answer from 7 December 2005 notes that the survey commenced in September).

The results from the DWP Survey 2005 were published on the Department’s Intranet site on Thursday 12 January. The entire set of results from DWP to business unit level were also available on the Survey Intranet site on the same day.

For Jobcentre Plus, there were 42,012 responses, giving a response rate of 52%. Of the 72 questions where comparative information was available from the 2004 Survey, 49 were down, 13 unchanged and 10 showed improvement.

These are disappointing results although perhaps not surprising given Jobcentre Plus’ business challenges and change agenda over the past year. The Jobcentre Plus Board and the senior management community are committed to doing more to listen to staff’s views and act on their feedback. All staff in Jobcentre Plus are being encouraged to discuss the survey results in an open and honest way within their teams and use team meetings to feedback what action can be taken locally and by the whole organisation. The Jobcentre Plus Board will use February’s Team Talk to gather staff views and identify what action to take. Survey Action Plans from last year will also be reviewed, and where necessary, updated to reflect the latest results. The focus in the coming months will be on promoting a greater sense of trust between Jobcentre Plus and its people.

Main findings:
— confidence in senior leaders remains low;
— people do not feel fully engaged with the Change Programme;
— there is insufficient communication around job changes and the wider business;
— there are continuing concerns around job security;
— the majority of staff have a regard for their immediate line managers and feel that their opinions and views are listened to;
— more staff are feeling confident with the PDS system;
— the majority of staff appear to be clear about the objectives of their job, Jobcentre Plus and DWP.
APPENDIX 1

The latest available figures on the Red Amber Green status of advisers is shown below. These relate to October 2005 and are the most recent that are available.

NB Not all regions use national criteria for assessing RAG status, therefore the figures given below are not directly comparable.

RAG Results October 2005

<table>
<thead>
<tr>
<th>Region</th>
<th>North West</th>
<th>Wales</th>
<th>Midlands</th>
<th>South West</th>
<th>South East</th>
<th>Yorkshire &amp; Humber</th>
<th>East Midlands</th>
<th>East England</th>
<th>London</th>
<th>North East</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>591</td>
<td>457</td>
<td>329</td>
<td>459</td>
<td>253</td>
<td>316</td>
<td>351</td>
<td>233</td>
<td>305</td>
<td>272</td>
<td>253</td>
</tr>
<tr>
<td>Amber</td>
<td>138</td>
<td>347</td>
<td>144</td>
<td>221</td>
<td>113</td>
<td>130</td>
<td>275</td>
<td>142</td>
<td>245</td>
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<td>87</td>
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<tr>
<td>Red</td>
<td>167</td>
<td>393</td>
<td>82</td>
<td>257</td>
<td>366</td>
<td>380</td>
<td>467</td>
<td>132</td>
<td>212</td>
<td>252</td>
<td>147</td>
</tr>
</tbody>
</table>

APPENDIX 2

CMS BUSINESS CASE TABLE IN RESPONSE TO Q 5a

<table>
<thead>
<tr>
<th>Year</th>
<th>CMS forecast</th>
<th>ANNEX A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>26,806</td>
<td>108,194</td>
</tr>
<tr>
<td>2006</td>
<td>24,574</td>
<td>13,734</td>
</tr>
<tr>
<td>2007</td>
<td>19,148</td>
<td>10,734</td>
</tr>
<tr>
<td>2008</td>
<td>14,879</td>
<td>6,934</td>
</tr>
<tr>
<td>2009</td>
<td>11,959</td>
<td>4,134</td>
</tr>
<tr>
<td>2010</td>
<td>10,079</td>
<td>3,334</td>
</tr>
<tr>
<td>2011</td>
<td>8,428</td>
<td>2,728</td>
</tr>
<tr>
<td>2012</td>
<td>7,247</td>
<td>2,417</td>
</tr>
</tbody>
</table>

SAYINGS

Programme

<table>
<thead>
<tr>
<th>Year</th>
<th>CMS forecast</th>
<th>ANNEX A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>26,806</td>
<td>108,194</td>
</tr>
<tr>
<td>2006</td>
<td>24,574</td>
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<tr>
<td>2010</td>
<td>10,079</td>
<td>3,334</td>
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<tr>
<td>2011</td>
<td>8,428</td>
<td>2,728</td>
</tr>
<tr>
<td>2012</td>
<td>7,247</td>
<td>2,417</td>
</tr>
</tbody>
</table>

January 2006
Second supplementary memorandum from Jobcentre Plus—Response to Additional Questions

Q1. Whether standard policy is that “warm phones” in Jobcentre Plus offices can be used for benefit claims, or whether they are for the use of jobseekers.

Customer Access Phones (known as warm phones) are provided in Local Service Outlets for those customers who call into the Local Service Outlet seeking a service that Jobcentre Plus would prefer to go through its telephone channel. The Floor Managers actively manage the use of the Customer Access Phones; they encourage customers to call from home, but also advise them Customer Access Phones are available if they wish to use them. However Jobcentre Plus continues to provide “face to face” services for those customers that can’t or won’t use the phone.

The Customer Access Phones are programmed so customers can call:

- Jobcentre Plus Direct—to make a new claim
- Jobseeker Direct—to enquire about vacancies
- Benefit processing—to enquire about an ongoing claim to benefit
- Employers in response to displayed vacancies on the Jobpoints (this includes both landline and mobile numbers)
- Other Government Departments—this will be dictated by local demand.

For new benefit claims, customers only use the Customer Access Phones to make an initial inbound call. The main information gathering process, the outbound call, will be arranged to take place on another phone either off the premises or in those cases where customers do not have access to a telephone, to another more private extension in the Local Service Outlet.

Q2: Whether there are current plans for any compulsory redundancies in Jobcentre Plus (basically an update of Q10 and Q11 of 9 November)

The position in Jobcentre Plus remains as reported in November. There are no current plans for compulsory redundancies and it is still the intention to use this method of reducing staff only as a last resort to address those areas where the geography and the lack of work leave no alternative. Turnover rates remain robust at 6.48% and since March 2005 1,313 staff have left Jobcentre Plus through targeted voluntary releases. Regional Executives continue to examine the scope for redeployment of surpluses into other DWP businesses and are working closely with other Government Departments to ensure that their vacancies are made available to Jobcentre Plus staff wherever possible.

Q3 (a) Following on from the “request for further information”, question 3, does the table show length of service in the Contact Centre or in DWP itself?; and (b) could the Committee see the “snapshot” and analysis referred to in Q150 by the Minister?

(a): The table shows Length of Service for people who worked in the Contact Centres immediately prior to leaving. Length of Service is calculated as the length, in months, of the current unbroken spell of employment within the whole Civil Service, rounded to the nearest whole month. This means that a leaver with 15 years service could have served 14 of those in another Government Department and have spent only 12 months in the Department of Work and Pensions, some or all of which could have been in the Contact Centre.

(b): An analysis showed that of the 98 people who left Jobcentre Plus Direct in October (2.35% of directorate staff), half were employed on temporary contracts. Of the 50 permanent staff who left, only a third had worked for Jobcentre Plus for longer than one year.


However for target 2 (MVFE), the Business Delivery Target and the Unit cost target no data is currently available. Please could we have statistics for the first two quarters of 2005-06?

MVFE—MVFE is only published (in the public domain) six monthly and the latest result is for March 05, the next expected figures are due in July 06 for Sept 05. The latest published figure—5.4% for March 05 is part of the 04/05 target, which is why it does not appear on the Internet.
Business Delivery Target—The latest cumulative figure is 91.3% up to October 05, however this is an interim figure for intranet purposes only. The figures for the last six months are shown in the table below.

<table>
<thead>
<tr>
<th>Field Directorate</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Midlands</td>
<td>90.2</td>
<td>90.8</td>
<td>91.2</td>
<td>91.3</td>
<td>91.2</td>
<td>91.4</td>
</tr>
<tr>
<td>East of England</td>
<td>90.2</td>
<td>90.1</td>
<td>91.4</td>
<td>92.3</td>
<td>91.9</td>
<td>91.8</td>
</tr>
<tr>
<td>London</td>
<td>89.4</td>
<td>90.1</td>
<td>90.6</td>
<td>90.4</td>
<td>90.2</td>
<td>90.1</td>
</tr>
<tr>
<td>North East</td>
<td>89.6</td>
<td>90.3</td>
<td>90.6</td>
<td>91.3</td>
<td>91.4</td>
<td>91.3</td>
</tr>
<tr>
<td>North West</td>
<td>90.2</td>
<td>90.9</td>
<td>91.1</td>
<td>91.6</td>
<td>91.8</td>
<td>91.7</td>
</tr>
<tr>
<td>South East</td>
<td>86.3</td>
<td>86.8</td>
<td>87.4</td>
<td>87.9</td>
<td>88.2</td>
<td>88.3</td>
</tr>
<tr>
<td>South West</td>
<td>89.2</td>
<td>89.6</td>
<td>91.1</td>
<td>91.1</td>
<td>91.0</td>
<td>91.4</td>
</tr>
<tr>
<td>West Midlands</td>
<td>90.3</td>
<td>90.4</td>
<td>90.2</td>
<td>90.8</td>
<td>91.1</td>
<td>90.8</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>91.8</td>
<td>92.0</td>
<td>92.0</td>
<td>92.4</td>
<td>92.3</td>
<td>92.1</td>
</tr>
<tr>
<td>Scotland</td>
<td>93.1</td>
<td>92.4</td>
<td>92.5</td>
<td>92.6</td>
<td>92.9</td>
<td>93.3</td>
</tr>
<tr>
<td>Wales</td>
<td>92.0</td>
<td>91.9</td>
<td>92.4</td>
<td>92.3</td>
<td>92.6</td>
<td>92.4</td>
</tr>
<tr>
<td>National Total</td>
<td>90.3</td>
<td>90.7</td>
<td>91.1</td>
<td>91.2</td>
<td>91.4</td>
<td>91.3</td>
</tr>
</tbody>
</table>

UNIT COST TARGET—The latest figures available are for November 2005. The table below shows figures for the year.

<table>
<thead>
<tr>
<th>UNIT COSTS (£)</th>
<th>Feb-05</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Broking (Actual)</td>
<td>209.9</td>
<td>255.7</td>
<td>202.1</td>
<td>202.3</td>
<td>199.4</td>
<td>221.5</td>
<td>228.2</td>
<td>209.0</td>
<td>203.0</td>
<td>192.0</td>
</tr>
<tr>
<td>JE Unit Cost Target</td>
<td>191.4</td>
<td>191.4</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
<td>217.0</td>
</tr>
<tr>
<td>Benefit Processing (Actual)</td>
<td>25.60</td>
<td>31.47</td>
<td>30.56</td>
<td>30.30</td>
<td>30.09</td>
<td>31.37</td>
<td>31.41</td>
<td>29.18</td>
<td>29.04</td>
<td>28.93</td>
</tr>
</tbody>
</table>

Q5. And on the Customer Service Target data (part of the same site), two things—(1) could you find out when the Q3 data will be available and (2) could we have an explanation of how the Contact Centres are ‘grouped’ (see bottom of the table, it just refers to CC Group 1, 2, 3 and 4.) Which Centres does each Group include?

(1) Quarter 3 data is shown in the table below.

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Year to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>94.90%</td>
<td>91.60%</td>
<td>93.40%</td>
</tr>
<tr>
<td>Accuracy</td>
<td>85.10%</td>
<td>82.10%</td>
<td>87.30%</td>
</tr>
<tr>
<td>Proactivity</td>
<td>71.20%</td>
<td>72.20%</td>
<td>76.60%</td>
</tr>
<tr>
<td>Environment</td>
<td>95.60%</td>
<td>95.70%</td>
<td>95.70%</td>
</tr>
<tr>
<td>Overall Customer Service Target</td>
<td>85.40%</td>
<td>84.20%</td>
<td>87.30%</td>
</tr>
</tbody>
</table>

(2) Contact Centre Groupings: See table below.

<table>
<thead>
<tr>
<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
<th>Group 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chelmsford</td>
<td>Blackburn</td>
<td>Aldershot</td>
<td>Bridgend</td>
</tr>
<tr>
<td>Colchester</td>
<td>Blackpool</td>
<td>Banbury</td>
<td>Cwmbran</td>
</tr>
<tr>
<td>Derby</td>
<td>Bootle</td>
<td>Dundee</td>
<td>Harrow</td>
</tr>
<tr>
<td>Derby Holborn House</td>
<td>Coventry</td>
<td>Gateshead</td>
<td>Ilford</td>
</tr>
<tr>
<td>Grimsby</td>
<td>Garston</td>
<td>Hastings</td>
<td>Kennington Park</td>
</tr>
<tr>
<td>Halifax</td>
<td>Telford</td>
<td>Middlesbrough</td>
<td>Pembroke Dock</td>
</tr>
<tr>
<td>Lincoln</td>
<td></td>
<td>Milton Keynes</td>
<td>Poole</td>
</tr>
<tr>
<td>Lowestoft</td>
<td></td>
<td>Newcastle</td>
<td>Taunton</td>
</tr>
<tr>
<td>Sheffield</td>
<td></td>
<td>Paisley</td>
<td>Torquay</td>
</tr>
</tbody>
</table>

Portsmouth Provan

February 2006
Third supplementary memorandum from Jobcentre Plus—Jobcentre Plus Response to follow-up Questions from Evidence Session

Q1. One of our witnesses last week commented that there had been a “command and control” mentality in Jobcentre Plus procurement, and described “a general almost institutional lack of trust” by Jobcentre Plus (Q75). You ask in your Green Paper whether outcome-based payments would “incentivise providers” to meet the challenges of delivering Pathways to work and more to help older workers.

Is there an intention to use ‘outcome-based contracts’ for all outsourced employment and training provision?

A: DWP wants to maximise the outcomes from the resources available through our contracts with the private and voluntary sectors. Jobcentre Plus is therefore currently piloting a more outcome-related approach for the JSA New Deals in several Jobcentre Plus Districts, to determine the most effective balance between output-related funding, quality of service provision, risks and cost.

Q1a. Can you specify the areas in which you expect private and voluntary sector provision to increase and, in particular, the implications for the delivery of work-focused interviews?

A: Since the Agency was formed we have sought to maximise the effectiveness of services to our clients. As part of this we keep under regular review the involvement of the private and voluntary sectors in delivery of Jobcentre Plus services. The private and voluntary sectors already deliver a significant proportion of our business, particularly where we need services providing intensive support to more disadvantaged clients.

Engaging with private and voluntary organisations helps Jobcentre Plus to encourage innovation, provide greater choice for customers and to find out what works best. This allows us to improve our own performance where needed and evaluate how cost effectively the private sector can deliver a comparable service to Jobcentre Plus.

The recently published Welfare Reform Green Paper set out our plans to build on the progress already made with the Pathways to Work pilots by extending provision across the country by 2008. Future Pathways to Work provision will be delivered primarily by the private and voluntary sectors. The new provision will involve an intensive framework of mandatory work-focused interviews delivered by skilled personal advisers. The objective will be to focus on improving job entry and retention, rather than simply asking providers to replicate Pathways to Work.

There are also 12 areas where New Deal is currently delivered by the private sector. Contracts with these providers are due to end shortly and Jobcentre Plus is examining options for future provision in those locations in conjunction with Ministers.

Q1b. Why did you not address the comments in the Gershon report about procurement in your response to the Office of Government Commerce on efficiency savings? (see Q72, 18/1/06)

A: DWP has reported progress to OGC on our implementation of the Gershon recommendations on use of the voluntary and community Sector since late 2004. We did omit to cover our progress on this in our latest general report to OGC on the contribution of procurement to the Efficiency Review. This was corrected in a letter from Sandra Newton to John Oughton, OGC Chief Executive, on 5 December 2005, which provided a detailed progress report against each Gershon recommendation (letter attached at Annex A). OGC subsequently confirmed, at a meeting on 26 January 2006, that they are very satisfied with our response.

We can however now update the Select Committee on recent progress. Q72 asked “What should Jobcentre Plus be doing to improve its procurement process?” with regard to the voluntary sector—specifically in terms of risk transfer, pricing, bureaucracy and short-term contracts.

As Sandra Newton set out in her letter, we have consulted widely on our prime contractor strategy. Some providers in the voluntary sector have reacted positively. Some providers have in the past been reluctant to contract directly with Jobcentre Plus because of concerns about the processes and paperwork involved in contracting with a Government department: they are more comfortable working with a prime contractor on a sub-contract basis, as the prime contractor will then take on these responsibilities, enabling the smaller organisation to focus on its area of expertise in the delivery of specialist services.

For the current New Deal competition, Jobcentre Plus has supported this approach by requiring a signed declaration from sub-contractors confirming that they are content with the payment and other terms offered by prime contractors. This new requirement is specifically designed to ensure that potential sub-contractors, including voluntary sector organisations, can negotiate reasonable terms with prime contractors.

Jobcentre Plus will require prime contractors to pay their sub-contractors within 30 days, in line with its own normal payment terms.
Jobcentre Plus has also undertaken a significant amount of work to streamline and standardise tendering processes and documentation to make it easier for organisations of all kinds to bid for contracts.

Jobcentre Plus already awards longer-term contracts, of on average three years duration, as recommended in the “Think Smart...think voluntary sector” report and in line with Treasury Guidance.

Q1c. Do you accept that there are risks inherent in the “Prime Contractor” model (of effectively replacing a state monopoly with a private or social sector one?) (see Q74, 18/1/06)

A: There is some risk of the kind described and Jobcentre Plus has implemented a contracting strategy that seeks to ensure this risk is minimised.

Jobcentre Plus has grouped its contracts into larger, more commercially viable packages, with a preference for one main provider (“prime contractor”) being responsible for the delivery of all services across a geographical area. At the same time, Jobcentre Plus fully appreciates the importance of ensuring that we make good use of the high quality provision offered locally by a range of providers, including many smaller providers from the private, voluntary and public sectors.

Jobcentre Plus is therefore encouraging organisations bidding for the prime contracts to put forward proposals, which enabled them to use local and specialist smaller organisations. The prime contractor will need to demonstrate that they will either offer services through a consortium or on a contractor/sub-contractor basis.

For the current procurement competition for New Deal contracts, Jobcentre Plus has published on its website a list of those providers who were successful in the first stage and who have been invited to submit a full tender. The list includes contact details; area and type of provision bid for, and will enable other providers, including many voluntary sector organisations, to contact potential providers.

To ensure that local and specialist providers involved in delivery with a prime contractor are treated fairly, Jobcentre Plus will require bidders to set out in their proposals details of the other organisations they will be working with, and this will form part of the contract. Jobcentre Plus will also ask bidders to set out their plans for ensuring that they manage their relationships with sub-contractors effectively. Jobcentre Plus will monitor this aspect of prime contractors’ performance in the context of their contract management reviews.

Jobcentre Plus has taken every opportunity to communicate the revised contracting approach to providers over the past year, for example through discussion at its Provider Liaison Group, and with the Association of Learning Providers (ALP) and Employment Related Services Association (ERSA).

Q2. The delays in the roll-out of Building on the New Deal have caused considerable concern. What is your vision for developing the New Deal, given that it is now 10 years since the original scheme was designed?

A: Jobcentre Plus’ vision remains as set out in the Building on New Deal document. This would allow Jobcentre Plus to target its resources more productively, ensuring better outcomes for the individuals and better value for money for the Government. Ministers are considering next steps.

Q3. What is happening with “Ambition”? Are the different strands being allowed to run their course? (see Qs 70-1, 18/1/06)

A: Work is in hand to embed the lessons learned in the five strands of the demonstration project within mainstream programme provision. More specifically, following a review of the content and structure of the Health programme, partners in Merseyside have reached agreement that will see the Learning and Skills Council (LSC) include “Ambition: Health” in its mainstream funded provision in Merseyside from September 2006. Discussions will take place between partners in the other pilot area, South Yorkshire, over the coming months. Jobcentre Plus is also in discussion with the LSC and other sector partners about successor programmes within the Energy industry, building on the LSC’s offer to contribute to course fees.

“Ambition” programmes have run, or are being allowed to run their course. Three of the five strands, Retail, IT and Construction have already finished, with the final Energy programmes scheduled for completion in March 2006. “Ambition: Health” was the last of the five strands to commence and as such will see its final intake in March with all participants completing their programme by September 2006.

Q3a. If not, why? Wasn’t this a good example of short-term spending for longer-term savings?

A: Whilst generously resourced in comparison to mainstream programmes, the Ambition programme is felt to be an excellent example of short-term investment for long-term saving. The demonstration pilots aimed to test Jobcentre Plus’ ability to work with employers and other partners to tailor programmes in response to known demand. Having demonstrated the benefits of the “demand-led” approach, along with highlighting the value of the partnership approach, we are incorporating this approach in the City Strategy as recently outlined in the Green Paper and in our work with the NEP on “Fair Cities”
Q4. **How do you justify the reduction in lone parents going onto training through NDLP and the reduction in the level and number of ADF payments?** (written answer 10/1/06, col 617–8)

A: Advisers have become more skilled at understanding the individual needs of their customers, and identifying whether specific training is necessary for a customer to progress towards work. The net effect is that fewer NDLP participants need to go through these programmes.

There has been no reduction in NDLP training provision where expenditure of £29.4 million is anticipated in 2005–06 compared to £24.5 million last year. However, reduced funding had led to a cut in the Work Based Learning for Adults expenditure. So NDLP clients have used training funded through the New Deal and training funded by LSC.

We remain confident that those who need training the most are receiving it.

ADF remains available to meet up-front childcare costs of up to £300 for New Deal for Lone Parent participants starting work. The ADF also remains available for other purposes.

Whilst the number and amount of ADF payments has reduced during 2005–06, evidence suggests that payments have been better targeted and that ADF is continuing to play a key part in helping lone parents make the transition from benefit to suitable employment. Last year, 36% of ADF awards to lone parents resulted in a job outcome, whereas in this year to November, 40% of awards have returned a job outcome. Further, in the later months targeting seems more effective. In September this year 44% have resulted in a job, in October 47% and in November over 49%.

Q4a. **Can these reductions be described as “efficiency savings”, and into which programmes has the increased expenditure in this area been allocated?** (See follow-up submission by Jobcentre Plus following oral evidence session on 9/11/05 “further information relating to Qs 35 and 37”).

A: The reductions have arisen as part of the overall settlement made to DWP as part of the Spending Review 2004 settlement. As part of this settlement, no additional money was allocated to programme expenditure.

Q5. **The Centre for Economic and Social Inclusion say that the impact of budgetary restrictions in Jobcentre Plus had been particularly strong on “skills and, in particular, basic skills and English as a second language skills”. Is this the case? Has there, as ERSA says, been a 75% reduction in funding for Work-based learning for adults?**

A: Basic Skills and English form part of Work based learning for Adults (WBLA) provision, which also encompasses Longer Occupational Training and Short Job Focused Training. In 2004–05 the expenditure on WBLA, including all four elements, was around £210 million. This compares to a forecast expenditure of £152 million in 2005–06, with a focus on Basic Skills and English.

Q5a. **What criteria are being/have been used to decide what programmes or groups of clients should be prioritised in terms of funding?**

A: Consistent with JCP’s policies to help unemployed people, the programme funding has been focused on those customers who face the greatest difficulty in the labour market. This is reflected in the target structure for Jobcentre Plus.

This is achieved primarily through delivery of the New Deal, which is focussed specifically on those customers who find it most difficult to find work, ie young people, long-term unemployed adults, people aged 50 plus, lone parents and people with health problems and disabilities.

Within the New Deal, Jobcentre Plus has been keen to make sure appropriate provision is available, eg providing JSA customers with Gateway to Work courses to help develop “softer” employability skills that are important in helping people find work quickly. For those who are unable to find work during the Gateway a priority has been to make sure employment and training opportunities are available through the New Deal Options and Intensive Activity Period.

For lone parents, New Deal expenditure has increased this year, with funding available to pay childcare costs while the parent is undertaking approved training and attending job and advisory interviews. The Adviser Discretionary Fund continues to be used flexibly to help lone parents with up to £300 available to pay up-front childcare costs when the lone parent starts work.

In addition further funding is available to support people who have severe barriers to work, eg progress2work, which is aimed at stabilised drug misusers and progress2work-LinkUP, aimed at ex-offenders, alcohol misusers and homeless people. These programmes help some of the most disadvantaged customers access mainstream programmes and secure/retain employment.

To support the PSA target to reduce the current 16% gap between White and Ethnic Minority employment Jobcentre Plus also funds 60 Ethnic Minority Outreach (EMO) contracts, which are primarily aimed at non-JSA and non benefit customers as well as people completely disengaged from both the labour market and benefit system.
In relation to basic skills, funding priorities have also included maintaining independent assessments to support the referral process for BET (basic employability training), ESOL (English as a second language) and SIBS (short-intensive basic skills) provision within the New Deal and Work Based Learning for Adults.

Q6. How will you change the system of performance appraisal for Personal Advisers when the new Job Outcome Target (JOT) is introduced?

A: The performance appraisal system remains unaltered. However individual performance focuses on managing performance against defined objectives. The objectives will clearly alter to reflect the new target structure.

Annex A

Efficiency Programme—DWP Use of the Voluntary Sector

In the report Jeremy Moore and I gave to the Moderation Panel on 9 November we undertook to write to you about the department’s progress in implementing Peter Gershon’s recommendations about use of the Voluntary and Community Sector (VCS).

As we said at the time, DWP has a very strong record of using the VCS. We have taken specific action to support the Gershon recommendations, both within the department and to support increased use of the VCS across Government. There are specific commitments in our Commercial Strategy to use the VCS to support our services and to implementing the Gershon recommendations.

Voluntary sector organisations are a vital element in the delivery of DWP services and engagement with them is a Ministerial priority. We have known for a long while that their specialist expertise and status among different groups of people gives them a unique ability to engage with clients who are hardest to reach and/or help. The department spent over £84 million with VCS suppliers in 2004–5 and there are 22 of these suppliers in our top 200 list.

Over a long period we have done considerable work to improve the way these suppliers are funded and were an active player in the Lead Funder Project. A detailed report of our action to respond to each Gershon recommendation is provided at Annex 1. I hope you agree this is an active and appropriate response. We would obviously be happy to discuss with you or your colleagues any ways you think we could do more or use our example to good effect with other public sector bodies.

I am copying this letter to David Rossington and Jeremy Stalley with you and Jeremy Moore, David Smith and Dave Welch here with thanks for their help in compiling this reply.

Yours sincerely,
Sandra Newton

Annex 1

DWP use of the Voluntary and Community Sector & Response to the Gershon Recommendations

Recommendation 1. Improving the stability of funding relationships with voluntary and community organisations, including moving to longer-term, multi-year funding relationships where possible, as outlined in Treasury Guidance to Funders.

Progress. DWP, in particular Jobcentre Plus, already awards longer term contracts for employment provision, on average three years, as recommended in the “Think Smart … think voluntary sector” report and in line with Treasury Guidance. DWP is also actively exploring other areas, particularly process simplification and risk sharing.

Through the Pension Education Fund, The Pension Service will award contracts to a range of non-profit making organisations—including many voluntary and community organisations. The purpose of the PEF is to fund organisations to engage with employees and self employed people in order to encourage and help them to make appropriate provision for their retirement, particularly amongst those sectors of the economy where there is significant under provision. As this initiative was targeted solely at not for profit organisations, the PEF project have followed best practice within the Compact Funding and Procurement Code, for example by keeping the process simple and in proportion to the amount of money involved, being receptive to requests for advance payment etc.

DWP have contributed to the development of NAO’s Decision Support Tool for Government funders of third sector organisations in England. The DST will be designed to take officials in funding bodies through the practical steps needed to build a good funding relationship between government and third sector (voluntary and community) organisations. The events were well received and will help NAO develop the tool further.

Recommendation 2. Considering the assignment of risk between the department and voluntary and community organisations—for example, the balance of risk achieved through the timing of payments, as outlined in Treasury Guidance to Funders.
Progress. A review of our funding policies is under way, recognising the need to share risk with all sectors more equitably. We are also reviewing our procedures to ensure that risk is appropriately allocated in an area of uncertain volumes and that accurate and prompt payments are made to all our providers.

Recommendation 3. Funding voluntary and community organisations on the basis of full cost recovery, as outlined in the 2002 Cross Cutting Review.

Progress. A key consideration of the review of funding policies is whether or not to move away from the current policy of using set rates to one that takes into account an individual provider’s actual costs of delivery to be achieved through negotiation.

Recommendation 4. Streamlining and rationalising monitoring, regulatory and reporting requirements for voluntary and community organisations (in particular through the Lead Funder Project).

Progress

The National Lead Funder Pilots Project was set up in response to Recommendation 18 made in HM Treasury’s SR 2002 Cross Cutting Review (CCR) on the role of the Voluntary and Community Sector in Service Delivery and as a result of specific concerns expressed by the voluntary sector when dealing with Government.

In February 2003 DWP set up the Lead Funder Pilots Project, principally to design and test the Lead Funder concept of a single Department taking the lead in relations with particular voluntary sector organisations, and to identify and develop ways of reducing bureaucracy making it easier for VSO’s to engage with Government. These were run in consultation with Home Office (Active Communities Unit), who are the lead department for VCS matters across government. A major part of this work has been the establishment of a dedicated website (www.dwp.gov.uk/leadfunder) where common information for each of the voluntary sector organisations is accessible to public sector funding bodies pre and post funding award.

The National Lead Funder Pilot reported in March 2005. The Pilot had some successes, including establishing beyond all reasonable doubt the value (in terms of reduced bureaucracy) of electronically “passporting” providers’ documentation. The Pilot’s main output, however, is likely to be a much clearer understanding of the structural issues of Government funding which should be addressed before roll out across the country.

Other Activity. Jobcentre Plus has undertaken a significant amount of work to streamline and standardise tendering processes and documentation across the organisation to make it easier for organisations to bid for contracts. Jobcentre Plus is currently developing a range of e-procurement systems, which will make tendering and payment processes easier for providers.

Recommendation 5. Promoting and incorporating the Home Office’s Guidance on procurement of Services from the Voluntary and Community Sector into procurement practices.

Progress In addition to the points made above, we are currently:

— reviewing our funding policies and procedures to ensure that risk is appropriately allocated in an area of uncertain client volumes and that accurate and prompt payments are made to all our providers; and
— streamlining and standardising our tendering arrangements across the country to make it easier for organisations to bid for contracts.

DWP has developed procurement arrangements such as placing advertisements in appropriate publications, streamlining documentation and delivering information events that have enabled us to attract a high percentage of providers from the VCS. We already publicise our tendering opportunities through our websites and the press, and will take forward the “Think Smart” report’s suggestions for bringing potential LDP and voluntary sector organisations together.

We have developed a Prime Contractor strategy, whereby the Prime Contractor’s proposals for sub-contracting with a wide range of locally based specialist and niche services to voluntary sector organisations will form a key element in the evaluation of bids. We have consulted widely about this, and many of the VCS providers have reacted positively, as some of them have been reluctant to contract directly with Jobcentre Plus because of concerns about the processes and paperwork (including management information requirements) involved in contracting with a Government department. For these reasons they are often more comfortable to work with a Prime Contractor on a sub-contract basis, as the Prime Contractor will then take on these responsibilities. This collaborative approach will enable the smaller organisations to focus on what they do best, ie delivery of specialist services.

Recommendation 6. Involving the VCS in projects funded through DWP’s Ethnic Minority Policy Fund, announced in Budget 2003 to tackle worklessness amongst ethnic minority groups.

Progress. The Ethnic Minority Flexible Fund (EMFF) is available to Jobcentre Plus District Managers to put in place innovative local solutions to help customers from ethnic minorities into work. In its second and final year EMFF represents additional funding to test out new ideas with a clear jobs focus not already available via existing provision. The decision on how to spend the fund rests with the District Managers,
and projects must demonstrate clear benefits to ethnic minority customers in the labour market. Districts have been encouraged to involve providers, employers and community groups in effective partnership relationships.

Over 200 projects have already been set up across the ethnic minority districts. A common feature is an aim to increase the profile of Jobcentre Plus to customers who would not normally use the service and, as with much of Jobcentre Plus’ work with ethnic minorities, success depends on close working relationships with local voluntary and community groups to ensure that innovation and partnership working continues to help those facing any disadvantages in the labour market. Examples of EMFF projects of particular relevance to ethnic minority Lone Parents include schemes in a number of districts offering childcare costs whilst the parent attends Full Time Education, Training or to take up employment; mini jobs fair in Lancashire East with a particular focus on lone parents; employment support packages to support lone parents in North London; and a mobile outreach service in Leeds that visits convenient community locations on a daily basis to provide facilities for jobseekers and local employers.

February 2006

Fourth supplementary memorandum from Jobcentre Plus—Jobcentre Plus Response to further Questions from Evidence Session on 25 January

Q1. Could Jobcentre Plus respond to the supplementary memorandum from PCS dated 23 January, confirming whether or not each of the specific points made are accurate

A: The main points in the supplementary memorandum from PCS were under eight headings:

- Delays and backlogs—service delivery problems.
- Staffing shortages.
- Standard Operating Model.
- Managing Attendance.
- Management.
- Violence.
- Consultation.
- Results of the staff survey.

Delays and backlogs—service delivery problems

Jobcentre Plus has acknowledged that there have been some delays and backlogs in certain areas, particularly from summer 2004. Action has been taken quickly to deal with these and significant improvements have been made. These problems are taken seriously, but it is also important to acknowledge that overall levels of customer satisfaction, measured by the customer service target, remain high.

Staffing shortages

Jobcentre Plus uses overtime and temporary staff as one method of managing peaks of work at certain times of the year, or to address particular recruitment difficulties in some areas. Some Saturday working is also built-in to the design of some services, such as our Contact Centres, to give customers more access.

Standard operating model

Jobcentre Plus is intending to pilot changes to the current standard operating model. The main features of the revised process are:

- faster access to quality work focused interviews;
- a freephone number for customers, with more effective menu options to direct customers to the right service;
- a single call to the contact centre in the majority of cases;
- earlier identification of JSA rapid reclaim customers;
- extending the rapid reclaim facility to IB customers;
- removing some questions from the contact centre script, if information can be supplied more effectively by the customer through the claim statement or if the same information would be covered by the personal adviser at the work focused interview;
- returning customer statements direct to Benefit Delivery Centres, when an immediate work focused interview is not required;
- revising the financial assessor role, with a greater emphasis on high risk cases;
— transferring responsibility for pursuing information missing from claims from financial assessors to Benefit Delivery Centres; and
— refining the way we use CMS.

It is expected that these changes will help us to:
— improve customer service through better direction of customers, fewer missed calls and delivery of a seamless service;
— speed up the claims process and reduce the number of customers coming into our offices;
— reduce double handling and checking;
— make the whole process easier to manage and clearer to both customers and staff; and
— live within the resources available to us.

It is planned to start a pilot at the end of February in the areas served by Jobcentres in Scunthorpe, Grimsby, Immingham and Barton.

Managing attendance

Jobcentre Plus has taken action to improve the average number of working days that staff are sick, towards a target of eight days. The current figure is 10.2 days compared to 12.3 days last year. Managers are provided with full guidance and support to help staff who are on sick leave.

Management

Jobcentre Plus senior managers have made themselves available to listen and respond to staff concerns in regular visits to offices, and in Your Call, a shared telephone discussion with questions tabled by staff, which hundreds of staff can access. Managers regularly consult with PCS on a wide range of matters, including staffing reductions and important changes.

Violence

Jobcentre Plus is aware that a small minority of customers sometimes resort to verbal abuse or violence. Support is in place for managers handling these incidents through guidance and procedures, and there is including extra support for affected staff. All reported incidents in Jobcentre Plus are recorded on a database and there is a quarterly incident report that includes trend analysis and suggestion of causal relationships. This is distributed to Jobcentre Plus senior managers and also to Jobcentre Plus trades unions, to support improvement action.

Consultation

Jobcentre Plus consults widely with communities once plans for changes to service delivery have been sufficiently developed for specific proposals or options to be put forward. Local managers lead consultation, typically with the following:
— local MPs/MEPs/MSPs/Members of the National Assembly of Wales;
— Local Authorities—both councillors and officials;
— programme providers and service delivery partners;
— employers;
— a sample of key employment providers and their representative bodies, for example, the local chambers of commerce;
— Citizens Advice Bureaux;
— welfare rights organisations and organisations representing specific client groups, eg RNIB, RNID, DIAL, Gingerbread and other local organisations;
— other Government Agencies, eg the Probation Service, Connexions, Careers Wales/Scotland, HM Revenue & Customs, and especially the Countryside Agency;
— Health Authorities/primary care trusts/local GPs;
— Learning & Skills Council;
— local colleges;
— Government Regional Offices;
Consultation would typically provide details of alternative ways of providing services, and if sites do close a plan is put in place to advise of the new customer contact arrangements.

**Results of the staff survey**

Jobcentre Plus accepts that some results from the staff survey are disappointing. It is to be expected that there will be staff concerns during a period of major change and uncertainty, and the results will be important in understanding which issues matter most to staff. Managers will lead action to try to address these concerns. It is encouraging that three of the four key areas identified as priorities for improvement last year do show slight improvement (satisfaction with pay, job security, and the performance system as a development tool).

*February 2006*

**Fifth supplementary memorandum from Jobcentre Plus—BPRP/WATCH2 Background**

BPRP/WATCH2 is a key strategic initiative, which will provide modernised benefit processing to support DWP. Its main objectives are to:

- Deliver the transformation of our Information Systems to support the Jobcentre Plus Vision and the DCS Target Operating Model;
- Deliver efficiencies through headcount and IT operational savings,
- To improve Customer Service, Programme Protection & support Employer outcomes;
- It will provide improved contact management and modernised benefit processing and enable internet claims for DWP benefits.

BPRP/WATCH2 is also providing long lasting foundations for a modern, flexible IT solutions based on Commercial Off The Shelf (COTS) software packages that will support ongoing business priorities and future policy ambitions including those around Incapacity Benefit and Housing Benefit reforms.

**BPRP/WATCH DELIVERY**

The programme has already used the COTS software products Cúram, Siebel and WebSphere to deliver new systems and will continue to deliver through this year.

We have delivered/will deliver:

- Customer Case Management in September last year.
- Corporate Integration backbone a middleware product is now available.
- Electronic claims—going live later this month (February).
- Fraud Referrals support—ready in December 2006.
- Customer Management CM (which will operate alongside CMS)—December 2006.

We then have an ongoing programme from 2007–08 through 2009–10 to replace aging legacy benefit systems such as Carers Allowance, Disabled Living Allowance, Attendance Allowance and Income Support and to replace much of the front-end IT with CM Plus in 2007.

We are currently reviewing our plans to factor in the recent Welfare Reform Green Paper and in particular the inclusion on a new Incapacity Benefit requirement.

**FUTURE CMS RELEASES**

CMS will continue to be required until it is fully replaced by BPRP/WATCH2, at the earliest this will be early 2009, thus a programme of releases will be necessary to reflect ongoing legislative and process changes, albeit that the functionality in CMS will incrementally be replaced by BPRP over this period.

*February 2006*
Sixth supplementary memorandum from Jobcentre Plus—further response to follow-up Questions from Evidence Session on 25 January

Q2. The Committee would like, as promised, a note on the performance of the Income Support and Jobseekers Allowance (and Incapacity Benefit) processing systems, including:
(a) a short explanation of how the systems are supposed to work, including a flowchart setting out how data is supposed to flow through the system

JOBCENTRE PLUS END TO END PROCESS AS SUPPORTED BY CMS

1. The attached flow charts set out how new and repeat claims for primary benefits (Income Support, Jobseeker’s Allowance and Incapacity Benefit) and any associated claims for Housing/Council Tax Benefit, and claims for secondary benefits—Carer’s Allowance, Bereavement Benefit, Industrial Injuries Disablement Benefit and Maternity Allowance, are taken from initial customer contact through to decision making on entitlement and payment.
2. The process is broken down into:
   — Inbound Call;
   — Outbound Call;
   — Verify;
   — Transfer; and
   — Benefit Processing (including decision making and payment).

INBOUND CALL

3. During the Inbound Call, the customer will be asked to provide information sufficient for CMS to establish potential eligibility to a range of benefits administered by Jobcentre Plus.
4. The customer will advise which benefit(s) he or she wishes to claim.
5. Where eligibility exists only for any of the secondary benefits, the customer telephone contact terminates at the end of the Inbound Call, and the relevant claim packs are issued to the customer to fill in and send to the Benefit Delivery centre.

RAPID REPEAT CLAIM

6. Where eligibility exists for either Income Support or Jobseeker’s Allowance, and the customer has previously claimed these benefits within the last 12 weeks, the new claim is regarded as a repeat or Rapid Re-claim. For these cases the customer telephone contact terminates at the end of the Inbound Call, and the relevant claim pack is sent to the customer to fill in and return so that any change in customer circumstances can be checked before benefit is paid. These customers are also required to attend a Work Focused Interview (WFI) at their Jobcentre Plus office, and arrangements will be made to book an appointment with a Personal Adviser at this point.
7. A call-back (Outbound Call) will be booked for all other customers wishing to claim a primary benefit, in order that further detailed benefit-specific information can be gathered. This should be within 24 hours but may be later if that is more convenient for the customer.

OUTBOUND CALL

8. The customer will be contacted by telephone by the Contact Centre. During this call all pertinent benefit-specific information (including any information required to support a claim for Housing or Council Tax Benefit) will be captured and recorded on CMS. This is an intensive data gathering exercise and can take up to an hour.
9. At the end of this call, CMS issues several notifications to the customer. These include a Customer Statement and a documentary record of all information the customer has supplied in support of the claims. The customer is required to check and sign the statement and provide any further information unavailable during the telephone call, along with any verification of evidence required.
10. Where the customer is not required to attend a Work Focused Interview, he or she is asked to sign and return the customer statement and any supporting evidence to the Jobcentre Plus office.
11. Where a Work Focused Interview has been arranged, the customer will be asked to bring the statement and any supporting evidence to the interview.
VERIFY

12. A Financial Assessor (FA) at the Jobcentre Plus office will initially see the customer.
13. The FA will confirm the customer’s identity, check the customer statement, and update CMS accordingly with the information provided on the verification evidence.
14. A Personal Adviser (PA) will then see the customer and conduct a WFI.
15. The FA will subsequently carry out any further preparatory work to make the CMS record ready for transfer to the relevant Benefit Delivery Centre (and Local Authority where Housing or Council Tax Benefit is also being claimed).

TRANSFER

16. The FA will then submit the case for transfer. For Income Support and Jobseeker’s Allowance claims, this action will initially be performed electronically, and where appropriate the CMS record will be “pushed” into the appropriate legacy systems ISCS and JSAPs.
17. Claim details may be fully or partially transferred into the legacy system. In either case, the Benefit Delivery Centre will have all the available details in support of the claim (in the form of an “input document”) enabling it to move forward to decision making. In the case of a partial push, further information will be collected to progress the claim.
18. Where the claims fail to transfer electronically or where the case is not suitable for electronic transfer, clerical transfer takes place. A full Input Document is produced at this stage containing all the relevant claim information required in order to support manual input into legacy systems.
19. For Incapacity Benefit claims the method of transfer is always clerical.

BENEFIT PROCESSING

20. Whether or not the claim has been transferred electronically or clerically, the Benefit Delivery Centre’s admin team will acknowledge receipt of the Input Document by returning the Confirmation Slip to the Jobcentre Plus office. On receipt of this slip the FA admin team will record the transfer confirmation on CMS.
21. The Input Document is then passed to a Benefit Processor (BP).
22. Where a successful electronic transfer has taken place, the BP will use the Input Document to identify whether the case details have transferred fully or partially.

FULL TRANSFER

23. Where all case details have been fully transferred the BP will continue to process the claim through to decision/payment and notification on the legacy system. There will be no keying in of information into legacy.

PARTIAL TRANSFER

24. Where not all the case details have transferred to the legacy system, then the BP will key in the relevant information from the Input Document into the legacy system and then proceed through to decision/payment and notification. There will be some keying in of information into legacy required.

FAILED TRANSFER

25. Where a failed electronic transfer has taken place the BP will use the Input Document to manually input the information that failed to transfer into the legacy system to enable the claim to be processed. This requires the BP to key in all of the information captured, verified and transferred from CMS.
26. Where a clerical transfer has taken place the BP will input all the information captured on the Input Document into the legacy system to enable the claim to be processed.

DECISION MAKING AND PAYMENT

27. The BP will complete the assessment and decision making on the claim and a payment and/or notification of entitlement will be issued to the customer.
28. Any associated clerical documentation in support of the claim will then be sent for filing.
(b) monthly performance statistics for the last two years, setting out the proportion of cases when the data was successfully “pushed”

29. The CMS business case states that:

— 85% of new IS/JSA claims “should be eligible” to be electronically entered into legacy systems using CMS push functionality. The figure is set at less than 100%, as there are a number of case types that cannot transfer electronically or have to be maintained clerically.

— “Of those eligible”, 90% should push fully or partially to legacy without user intervention.

30. The table below sets out the percentage of electronic transfers attempted between April 2005 and January 2006. The proportion of cases suitable for electronic transfer is 85% of all JSA and IS cases. CMS will decide which cases are suitable for electronic transfer, but the FA has the ability to override this action should they decide to send the case clerically. There is only one electronic transfer attempt per claim. If the transfer fails then CMS will inform staff immediately and on receipt of the input document produced by CMS, the BP will then manually input claim information into legacy systems. The table below illustrates the results for cases which we have attempted to transfer, against the target of 77% (ie 90% of the projected 85% eligible for electronic transfer).

<table>
<thead>
<tr>
<th>Total attempts of electronic transfers</th>
<th>% of cases transferred electronically</th>
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<tbody>
<tr>
<td></td>
<td>Apr-05</td>
</tr>
<tr>
<td>JSA Total Attempts</td>
<td>62.9</td>
</tr>
<tr>
<td>IS Total Attempts</td>
<td>54.2</td>
</tr>
<tr>
<td>Total Attempts TARGET</td>
<td>85</td>
</tr>
</tbody>
</table>

31. This table shows we have not yet been able to attempt to “push” 85% of IS or JSA claims.

32. Although electronic transfer functionality was available from December 2004, transfer data is only available from April 2005 onwards. This is because the capability to collect this information was not delivered until February 2005. The first full month captured was March 2005.
33. The second table shows the relative success rate of all claims where electronic push has been attempted. The figures only show fully successful “pushes” where all claim information has been successfully transferred. At present detailed management information is not routinely collected for partial pushes, so the above chart falls well short of the full picture, as many “pushes” are partially successful.

34. A partial push occurs when some of the data for a claim is successfully pushed to the Income Support or Jobseeker’s Allowance legacy IT systems, but some data remains. For instance, a push is deemed partially successful if all customer personal details are pushed; yet the associated claim evidence data (including the verification and benefit calculations completed in CMS) fails to push. In such situations the Benefit Delivery Centre still needs to key-in the “failed” data elements of the push.

35. A further factor is that the number of cases eligible for transfer is currently lower than the planning assumptions described above. Taking that into account, but also taking account of full and partial transfers, the table below illustrates the position in a typical week for JSA and IS.

<table>
<thead>
<tr>
<th>WEEK COMMENCING 14 NOVEMBER 2005</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td><strong>JSA</strong></td>
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(Ineligible for electronic transfer—CMS decides (based on rules built into system) that case should be transferred clerically or user decides (rightly or wrongly) that the case should be transferred clerically).

In this typical week, 68% of JSA cases were eligible for transfer, against the planning assumption of 85%. Of these, 83% were successfully electronically transferred against the target of 90%. So we are not yet meeting our planning assumption but we are making progress.

36. The picture is not nearly so positive for IS, 55% of cases were eligible for transfer against the target of 85%. Of these, 25% were electronically transferred (either fully or partially).

37. However, since the typical week the attempted push rate has increased as Contact Centre performance has improved. In addition, the planned improvements outlined below are expected to make a significant difference to these numbers. Releases 3.5 and 4 planned for March and June 2006 will greatly reduce missing or incomplete data capture, and will eliminate the need for many clerical transfers. There will always be a proportion of cases where transfer cannot be effected—for example, where National Insurance number information is not available, where partner details have not been confirmed or where an interim payment has been requested. This is the reason for building our business case around our aspiration to attempt to push in 85% of cases and to achieve push in 77%.

(c) an explanation of, when a data “push” fails, precisely at what stage this becomes apparent and what action is taken; and

38. Data push occurs when the Financial Assessor (FA) in the Jobcentre Plus office prepares a claim for transfer from the CMS to legacy IT. Once all tasks are completed, including the verification of information and benefit calculations have been made, the FA pushes the transfer button. When successful, the electronic transfer of claims should in the majority of cases be instant, although a small proportion of cases may take longer.
39. The receipt of the input document at the processing site is the prompt for the BP to access the particular legacy system. The input document is produced in all cases whether or not there has been a full transfer to legacy. The input documents are sent through to processing via the usual channels eg by courier or by post or by hand. For IB and HB/CTB cases the transfer is always clerical and the input document is produced as soon as the transfer button is selected.

What is being done to improve the electronic transfer of information?

40. Jobcentre Plus is developing an extensive programme of action to improve the electronic transfer rates. This includes a future work programme for CMS through to 2007. We are developing several packages for improvements including:
   — key data fields within CMS will be made mandatory from Release 3.5 scheduled for March 2006 (being delivered early by EDS to improve the transfer rate ahead of Release 4);
   — other improvements to be delivered in Release 3.5 as identified in live running;
   — further improvements in the validation of information scheduled for Release 4 in June 2006;
   — improved messages to users to explain why a failure has occurred thus providing lessons learnt and aiding improvement;
   — developing a package of process improvements with Learning and Development colleagues to ensure products support the improvements;
   — IT Work Packages have been identified to further improve the “push” success rate. This includes both changes to CMS and ISCS and JSAPS; and
   — improving compliance by ensuring that operators understand the agreed processes and follow them.

(d) whether cases “fall off” the CMS system as a result of (c) and, if so, what proportion of claims going through CMS does this apply to?

41. Cases do not “fall off” CMS as a result of “push” failure. This will be clear from the answer to 2(c). Cases transferred from CMS either electronically or clerically are selected for deletion only when confirmation of the transfer has been received.

(e) details of the performance data about the system which is available to Jobcentre Plus managers

42. There are two types of Management Information from CMS. These are Operational Management Information (OMI) and Analytical Management Information (AMI).

43. OMI is “real time” information that is a predominant source of information, available to managers to assist in the co-ordination of section/team performance and in general aid the day-to-day management of activities. It will help managers to assess workload peaks and troughs, and organise and deploy staff accordingly.

44. The OMI consists of a “snap shot” of the CMS data that is automatically captured at regular intervals in Contact Centres. It provides information on current call status, callbacks made and outstanding by the hour, callback outcomes and Work Focused Interviews booked for that day.

45. AMI is a suite of reports and are derived from information extracted from the CMS Database by BIS on behalf of Jobcentre Plus, and are accessible via the DWP Intranet MI Portal and the BIS. There are 14 reports available and cover the end to end process from initial contact through to transfer. The reporting periods for the reports are weekly, monthly, quarterly and yearly and information is available at all geographic levels of the business from the individual LSO or Contact Centre through to the National level. One of the main reports covers the transfer of information. The information provides a breakdown of the claims transferred electronically and clerically and includes all:
   — successful clerical transfers where an electronic transfer was not appropriate;
   — electronic transfer attempts;
   — successful electronic transfers; and
   — failed electronic failures.

February 2006
Process Flow of fully successfully pushed claim from CMS to ISCS or JSAPS.

CMS Inbound Call:
1. Customer telephones Contact Centre
2. Reason for Contact established
3. CMS obtains details to determine claim eligibility

CMS Outbound Call:
1. FCO telephones Customer to gather claim details
2. FCO books WFI interview on LMS
3. Statement & Verification requests issued to Customer

CMS Verify - FA
1. Customer returns Statement
2. FA updates CMS with new information
3. FA checks acceptance of Customer Statement
4. FA verifies details provided by Customer

CMS Verify - PA
1. PA holds WFI Interview with Customer
2. Benefit Processing Admin return Confirmation Slip (FA Admin Team)

CMS Transfer:
1. FA initiates Claim Transfer
2. Claim pushed from CMS details registered on PDCS & ISCS or PDCS & JSAPS

Input Document printed from CMS & sent to BP Admin Team

Input Document passed to BP

BP views Transferred Claim Details

BP completes Assessment & adjudication action

Payments / Notification produced by system and sent to Customer

Pass Claim documents for filing

KEY:
CMS Process
Electronic Transfer (PxP)
IS or JSA Process
IS / JSA System Activity (Batch)
FCO-First Contact Officer
FA-Financial Assessor
PA-Personal Adviser
PDCS-Personal Details Computer System
ISCS-Income Support Computer System
JSAPS-Jobseekers Allowance payment System
BP-Benefit Processor
WFI-work focussed interview

Note:
- FA-FA Admin Team
- ISorJSAPSSystem
- PDCS-Personal Details Computer System
Process Flow of Partially successful pushed claims from CMS to ISCS or JSAPS.

CMS Inbound Call
1. Customer telephones Contact Centre
2. Reason for Contact established
3. CMS obtains details to determine claim eligibility

CMS Outbound Call: 1. FCO contacts Customer to gather claim details 2. FCO Books WFI Interview on LMS 3. Statement & Verification requests issued to Customer


Claim pushed from CMS - electronic transfer - partial success
Input Document printed from CMS - sent to BP Admin Team

Support from the point of push failure into ISCS or JSAPS

Input Transfer details from the point of push failure into ISCS or JSAPS

BP Admin Team return Confirmation Slip to LSO (FA Admin Team)

Input Document passed to BP

BP - Benefit Processor
ISCS Income Support Computer System
JSAPS Jobseekers Allowance Payment System

WFI - work focused interview

Note: As a result of a partial "push" the claim is incompletable

Process Flow:
- CMS Inbound Call: Customer telephones Contact Centre, Reason for Contact established, CMS obtains details to determine claim eligibility.
- CMS Outbound Call: FCO contacts Customer to gather claim details, books WFI Interview on LMS, sends statement & verification requests to Customer.
- CMS Verify - FA: Customer returns statement, FA updates CMS with new or revised details, checks and accepts Customer Statement, verifies details provided by Customer.
- Claim pushed from CMS - electronic transfer - partial success.
- Input Document printed from CMS - sent to BP Admin Team.
- Support from the point of push failure into ISCS or JSAPS.
- Input Transfer details from the point of push failure into ISCS or JSAPS.
- BP Admin Team return Confirmation Slip to LSO (FA Admin Team).
- Input Document passed to BP.

Keywords:
- CMS Process
- Electronic Transfer (PxP)
- IS or JS Process
- IS / JS System Activity (Batch)
- Note: As a result of a partial "push" the claim is incomplete.

Key Terms:
- FOC: First Contact Officer
- FA: Financial Assessor
- PA: Personal Adviser
- BP: Benefit Processor
- ISCS: Income Support Computer System
- JSAPS: Jobseekers Allowance Payment System
- WFI: Work Focused Interview

Work and Pensions Committee Evidence
Process Flow of unsuccessful attempted "push" of claims from CMS

CMS Inbound Call:
1. Customer telephones Contact Centre
2. Reason for Contact established
3. CMS obtains details to determine claim eligibility

CMS Outbound Call:
1. FCO contacts Customer to gather claim details
2. FCO Books WFI Interview on LMS
3. Statement & Verification requests issued to Customer
4. FA Verifies details provided by Customer

CMS Verify - FA:
1. Customer returns Statement
2. FA updates CMS with new / revised details
3. FA checks/accepts Customer Statement
4. FA Verifies details provided by Customer

CMS Transfer:
FA initiates Claim Transfer
Claim pushed from CMS to BP

CMS Verify - PA:
1. PA holds WFI Interview with Customer
2. Input Document passed to BP
3. BP ARA or PA receives Claim details for IS or JSA
4. FA Admin Team return Confirmation Slip to LSO

Input Document passed to BP

NOTE: MINUS THE CLAIMS ATTEMPTED PUSH FORM CMS THIS PROCESS IS THE SAME FOR THOSE CLAIMS / CASES INELIGIBLE FOR ELECTRONIC TRANSFER
INTRODUCTION

1. Jobcentre Plus strives to maintain a constructive relationship with its trades unions and we have maintained regular dialogue with them, throughout this difficult period of transition. Jobcentre Plus takes the statements raised by the PCS in their evidence to the Committee very seriously. All responses to the specific points are contained in the attached paper.

2. Overall, Jobcentre Plus accepts that there have been customer service difficulties in some areas, but wishes to stress both that these have been quickly addressed and that these need to be seen in the national context of the large volumes of customers that Jobcentre Plus deals with every day and the scale of change Jobcentre Plus is managing. It is worth repeating the challenge that we face and the context in which we operate as background to the issues raised.

THE CHALLENGE

3. DWP has an Efficiency Challenge to reduce staffing by 30,000 from a February 2004 baseline. To contribute to the achievement of this challenge, Jobcentre Plus is required to reduce by approximately 15,000 Whole Time Equivalents (WTE) in the Spending Review period from February 2004 to March 2008.

4. Jobcentre Plus will also re-deploy substantial numbers of staff to customer facing roles by March 2008, as the major contributor to the DWP target to re-deploy 10,000 staff to customer facing roles.

CONTEXT

5. Every working day, staff in Jobcentre Plus:
   — receive 13,000 vacancies from employers;
   — conduct 36,000 work-focused interviews;
   — help 4,000 people into jobs, this equates to 500 people in new jobs every hour of the working day or eight people a minute;
   — process over 16,000 new benefit claims;
   — pay over £100 million in working age benefits;
   — take over 7,000 Employer Direct calls;
   — take over 27,000 calls to contact centres;
   — receive over 170,000 website visits;
   — conduct over 80,000 job searches; and
   — pay over 800,000 people.

6. Jobcentre Plus also delivers a range of services on behalf of other Government agencies such as Her Majesty's Revenue and Customs the, Child Support Agency and Local Authorities.

SCALE OF CHANGE

7. Jobcentre Plus is embarking on a significant period of change and the vision for the future of the organisation involves developing:
   — a network of local customer facing offices focusing on supporting customers into work, especially those customers with greatest disadvantages;
   — contact centres that offer a wide range of benefit and labour market services to individual customers and employers;
   — a network of Benefits Delivery Centres; and
   — employer services, that maximise benefits to employers and individual customers.

8. Jobcentre Plus is introducing a Standard Operating Model (SOM), which will allow the delivery of services to a common standard across the country, ensuring consistency in delivery and improving rates of staff error.

TUS AND STAFF CONSULTATION

9. Jobcentre Plus will continue to consult with its trades unions on the sorts of questions raised, including specifically the development of performance support to Personal Advisers (the Red/Amber/Green framework) and on Health and Safety management. Jobcentre Plus Board members also regularly meet or talk to staff to discuss their concerns and hundreds of staff have already been involved in fully open telephone discussion forums with the Chief Executive and Directors.
10. We have in the attached tables covered all issues raised in the PCS Supplementary Evidence requirement. For ease of reference and consistency the responses have been grouped under relevant headings.

PCS Memorandum

Jobcentre Plus response

**BENEFIT CLEARANCE TIMES**

5. “I work in an inner city Jobcentre Plus office, and am currently booking work-focused interviews for customers who are eight weeks into an incapacity benefit/income support claim. I am finding that, due to shortages at the centralised processing office, about a third of them have not been paid after eight weeks. This is not uncommon across other benefits in this area, and is having a knock-on effect, in that we regularly have nearly 700 customers a day attending the office, many of whom are making enquiries about their benefits, and leads to frustration when we have to get them to telephone to enquire. We always have queues for the phones in the office, which makes the entrance very busy and leads to stress and abuse for the floor walkers. I am unaware of any activities being taken by the management team to resolve these issues.” PCS Member

It is difficult to comment in this particular case as the office has not been identified. In general, it is normal practice for a work focused interview to be arranged for, and undertaken, at week 8 of a benefit claim. As far as the payment of the benefit is concerned, there is a national target for the clearance of IB claims in 19 days (on average), so payment of benefit should actually be made in less than three weeks. This target is currently being met. IS has a similar target for clearance of 12 days and is also being met. For both IB and IS claims there are isolated cases where clearance is taking longer but this is not the norm and is being addressed.

A national task force has been set up to oversee improvement of clearance times and a national action plan has been launched. The plan provides delivery units with tools and guidance to enable them to improve their performance. Implementation of the plans is mandatory and requires that:

- all delivery units work through a checklist and address the areas where they are under performing;
- senior managers regularly discuss performance and address poor performance; and
- delivery units performing below the KMI develop a recovery plan that must be implemented.

8. Plymouth deals with claims from customers in Devon. There are currently 2,800 claims awaiting processing. At the start of December staff were told to tell customers that they would not receive payments before Christmas.

The number of claims outstanding for week commencing 28 November was 3,134, ie 750 Income Support (IS) claims, 1,593 Jobseeker’s Allowance (JSA) claims and 792 Incapacity Benefit (IB) claims. Staff were not told to tell customers that they would not receive payments before Christmas. The advice was that if customers provided all the evidence that was needed in order to process their claim, then we should be able to make payment before Christmas. However, if they did not supply all the necessary evidence, then it was unlikely that we would be able to process the claim. This is essentially the same advice Jobcentre Plus would give to customers at any time of the year. Any customer needing a payment was offered an interim emergency payment or a crisis loan.

12. In Sheffield there are over 500 Job Seekers Allowance (JSA) claims waiting to be processed. There are still problems with customers trying to get through on benefit enquiry lines. The CMS computer system is still suspended in Sheffield and emergency provision is in place for JSA.

There are arrears in the processing of Jobseeker’s Allowance (JSA) claims in Sheffield. A clerical process “Emerging Provision” was introduced as part of the recovery plan. Outstanding JSA claims led to increased volumes of calls to Benefit Enquiry lines, and JSA customers in particular had difficulty in getting through. A recovery plan is in place, to take arrears including overtime working and deployment of suitably trained staff from other parts of the District organisation to claims processing.

Outstanding JSA claims continue to generate above normal volumes of calls to the Benefit Enquiry lines, and JSA customers still experience some difficulty getting through. When possible additional staff are deployed to the enquiry lines and customers are encouraged to call at less busy times. The situation will improve as the number of outstanding claims reduces.
14. In West London last week there were 282 Social Fund Crisis Loan decisions still outstanding. These are urgent and should be cleared on day of receipt. The clearance target for Social Fund Crisis Loans is two working days. Whilst there were 282 cases carried forward from Friday 13 January into Monday 17 January, and although this level is higher than usual, all of these cases were cleared within the two-day target.

15. In Norfolk and Suffolk in December processing of claims was four to eight weeks delayed. Norfolk—the statement is incorrect and although there were only some delays, they were two to three weeks. The time to first appointment has increased slightly in January but specific work is now being carried out to reduce this. As at 16 February the average wait for a first appointment is seven days. Suffolk—the statement is correct and performance improvement measures have been implemented which have improved the position. The key indicator is the average time to elapse between first contact and first interview reducing from 28 days in October 2005; to four days in February 2006.

19. In Exeter in December there was a backlog of 724 Incapacity Benefit claims, Income Support claims were at 703 and for Jobseeker’s Allowance claims the backlog was 1,416. Staff were still processing claims received in mid November. On 19 December there were 171 claims for Incapacity Benefit outstanding, 267 for Income Support and 495 for Jobseeker’s Allowance—total 933. This was eight days work, based on the number of staff available. Jobcentre Plus continues to monitor the situation weekly and identify additional support from within the region as necessary.

21. In Glasgow there are nine weeks worth of Incapacity Benefit referrals (that require referral to medical evaluation) outstanding. Only 80% of claims for benefit are cleared within six weeks. Therefore one in five are taking longer to clear. Only 60% of people are paid the right amount of money at anytime. Over 20% of cases are not fixed after errors are first highlighted. Over 27% of Incapacity Benefit cases are dealt with inaccurately. Over 24% of Jobseekers Allowance claims are dealt with inaccurately. Over 19% of Income Support claims are dealt with inaccurately. The department are also failing to fill job vacancies by between 20%-67%, depending on customer group and benefit. Only 67% of interviews are booked within six days. The latest figures showed 831 people had still to receive an interview. Currently Glasgow does not have outstanding work, just normal work in progress, of Incapacity Benefit referrals. Independent evaluation of benefit accuracy shows that Glasgow are achieving 91.46% for Income Support (on target), 98.75% for Jobseeker’s Allowance (exceeds target) and 95.4% for Incapacity Benefit (exceeds target). Jobcentre Plus does not measure vacancy filling by customer group and benefit type. Broadly, the organisation fills around a quarter of vacancies notified, this is for a number of reasons including that employers over estimate their requirement, some vacancies are from employment agencies and that vacancies are filled in a range of ways and not necessarily with just Jobcentre Plus customers.

27. Many London claimants have to access the system via centres outside London. Jobcentre Plus London has very little control over service delivery in the call centres and some of the benefit centres outside London. When problems occur at these centres, either through insufficient staff numbers, problems with telephony or IT, London cannot intervene to correct or “ease” these problems, as they are not managed within London. As a consequence, London claimants are at the mercy of operations in other parts of the country. This can and does result in delays to benefit payments. It also has a massive impact upon staff that are left to take the blame from claimants for issues that are out of their control. This is partly due to insufficient staffing levels in contact centres and partly due to ongoing IT problems. All of London’s benefit claims are processed within Benefit Processing Centres under the direct control of London as has been the case for some time—this includes the sites at Glasgow and Makerfield. London Region manages the contract between DWP and Northern Ireland Social Security Agency.

Pembroke Dock, Bridgend and Taunton Contact Centres are responsible for dealing with initial contact with clients wishing to make a claim to benefit, it is part of Jobcentre Plus Direct and as such is managed as part of the National Network. There have been some staffing shortages within the London based Benefit Processing Centres at Ilford, Hackney and Stratford, however these will be addressed by a forthcoming recruitment exercise. The move towards the centralisation of benefit processing and the introduction of a network of Contact Centres is part of the Jobcentre Plus Vision and aims to provide customers with a quick, efficient and consistent level of
JOBCENTRE PLUS are failing to meet the target for processing claims within set targets. This is resulting in people waiting up to five or six weeks to receive their first benefit payment and increasing numbers are applying for Crisis Loans and Social Fund Loans.

28. The number of “live” claims in London is as follows, Incapacity Benefit 321,758, Income Support 371,769, Income Support Lone Parents 160,201, JSA 165,067. Total 858,594

TELEPHONE DELAYS
6. There is currently a two week delay between a call back and a work focused interview in Liverpool.

From December to early January the average number of days between a call back to Work focused interview from Contact Centres serving the Liverpool area was 4.1 for JSA customers and 2.9 for Lone Parents.

13. Bridgewater Jobcentre at the start of January were receiving enquiries about claims made at the end of November 2005 that have still not been paid. Customers are having to wait up to 45 minutes to get through to the telephone section. Customers who normally come in to collect their payments at a set time are having to come in and phone Exeter. Exeter then agree to phone them back within two hours and then they have to come back again later for payment.

RESOURCES DEPLOYMENT
32. “Overtime has become increasingly available, but with no further permanent staffing resources, it is merely delaying what will be shown to be an even greater crisis than is already apparent.” PCS Member

34. On 9 January it was reported that Pembroke Dock Contract Centre has worked 40 of the last 52 Saturdays as overtime to try and keep up with the call backs and keep them within the Standard Operating Model.

Overtime is always offered on a voluntary basis. It is made available at times of peak demand to ensure customer service and for performance improvement activities. Our overtime bill is only marginally higher this year and remains only a tiny proportion of our overall paybill, in line with the figures already provided.

35. Middlesbrough Contact Centre has been operating a full overtime system since 3 January. This means staff are able to work overtime before starting work in the morning and after work in the evening service, as well as providing good value-for-money.

January is one of the peak times for Jobcentre Plus contact centres receiving calls from customers wishing to make new claims to Working Age benefits. In order to respond to this demand, extra overtime was offered to agents for the first two weeks of January. Overtime was
36. Overtime is being offered at Hounslow Jobcentre to try and deal with New Claims appointments so that they meet the four day target.

37. Staff have been told that for certain weeks during the holiday periods they need to give their reasons for wanting leave or any other absences and that even having booked holidays will not be accepted as a reason to allow time off.

38. At Middlesbrough Contact Centre when the number of dropped calls begins to rise, staff are moved from Outbound to Inbound calls and then the clerical contingency is used for outstanding Outbound calls. They are also seeing an increase in the number of requests for emergency and interim payments.

39. In West Sussex November 2005 they had 30 temporary staff (six AAs; 24 AOs) doing a variety of jobs across Jobcentres. This District has earmarked £250k for these staff and employment is likely to run through to March 2006. At the same time the District had consumed a further £250k on overtime.
40. In Glasgow, temporary staff are being recruited despite headcount plans to reduce staffing levels from 3,000 to 2,008.

Jobcentre Plus in Glasgow currently has a shortfall of staff in post against headcount allocation. The figures are 1,366.7 full time equivalent staff in post (1,220 permanent and 146.7 temporary) against a headcount target of 1,390.4.

Glasgow is included in the expanded Pathways to Work pilot and funding has been provided for this. Glasgow will be recruiting temporary staff as a consequence. A reduction in headcount is anticipated for 2006–07. It is expected that a reduction in temporary staff will allow staff numbers to be managed down without compulsory redundancies.

ADOPTION OF GOOD PRACTICE/PROCESSES

9. Fulham Jobcentre have designed a pro-forma to replace the clerical decision notation. The pro-forma is not standardised and therefore not used in other jobcentres but helps to make the processing faster.

Fulham Jobcentre designed and introduced a “Tracking” pro-forma which monitors the progress of new claims. The pro-forma has been circulated within the District as an example of good practice. Jobcentre Plus will take this into consideration as it develops the Standard Operating Model (SOM).

16. In Makerfield, staff on new claims have been told not to question any verification provided by the jobcentre (eg If a customer has worked for the same employer for 15 years and is made redundant and the jobcentre state that he has no redundancy pay/holiday pay/pay in lieu of notice etc).

This is correct and in line with the Standard Operating Model. The responsibility for verifying information provided by the customer is within the remit of the Financial Assessor in Jobcentres. This aims to give customers a consistent level of service and ensure they are not being asked the same questions numerous times throughout the process.

17. All lone parents claiming Income Support who have a youngest child aged under 16 years old are required to take part in a Work Focused Interview (WFI). Staff have been allowed to conduct telephone rather than face to face WFIs until March 2006 in order to clear the exceptional backlog of cases involving lone parents in East of England, London, North West, Scotland, South East, West Midlands and Yorkshire and the Humber. Up to 155,000 lone parents have been identified on the backlog scans highlighting the conflict between demand and capacity.

There was a backlog of 120,000 cases. An action plan is in place to deal with this. By the end of January 2006, 58,000 had been cleared with a clear profile for the rest to be cleared by 31 March 2006. 90% of those cleared have been done face-to-face.

23. Bridgend Contact Centre are accepting clerical claim forms. They have to accept clerical claim forms because some customers cannot be registered on the computer system.

Jobcentre Plus contact centres do not receive clerical claim forms completed by customers, if by mistake they do the customer is telephoned and the process is completed over the telephone. Currently two processes are used within Bridgend contact centre. Some of the Jobcentre Plus Districts they serve are dealt with using the VANTIVE system and some using the Customer Management System. The Vantive system allows customers’ initial details to be taken over the phone and then an appointment is then booked within the customer’s local office; clerical claim forms are then issued to the customer for completion. By the end of March 2006 all sites will be transferring to the CMS process, whereby all customer details are taken over the phone and an electronically completed form is issued to the customer to check and take along to the appointment at their local Jobcentre.

25. “I work on Bereavement Benefits and have been talking to a customer who has recently been bereaved and is obviously distressed. This lady has also just come out of hospital herself and I was concerned that she should also claim Incapacity Benefit and Income Support (so when bereavement

We are unable to comment on this particular case, but do have processes in place that allow us to deal sensitively and promptly with recently bereaved customers’ customers in distress. The SOM states that these customers should be referred to the Face to Face First Contact Officer in the office who will support the customer by gathering the data to populate the CMS
allowance ends in 52 weeks she could qualify for either of these benefits—at the higher rates), and even DLA. The customer did not feel up to completing any more claim forms and was reluctant to bother her relatives or friends any further, so I tried to refer the case to the relevant visiting section. The reply was that the customer must apply via the Call Centre because visiting section had no criteria under which to visit. Is this now what we call providing a good customer service?” PCS Member

30. London accounts for nearly 50% of all NINO applications nationally (approximately 30,000 annually). A significant proportion of these are generated from businesses around Canary Wharf and the City. Plans for the centralisation of this service resulted in a contact centre being set up in Kennington Park, whereby overseas workers would call to make an appointment for an interview at one of the four London offices that conducted the interviews. The actual processing of the number takes place in Glasgow. It is now being proposed to close the Kennington Park contact centre this year and relocate this work to Grimsby. It is envisaged that the Grimsby contact centre will eventually have 83 operators to handle the calls from London NINO applicants. We are concerned that no thought has been given to the future requirements for NINO applications for London

INTERVIEW DELAYS

10. On 19 December the earliest date for an interview in Cornwall was 7 January 2006.

11. In Halifax as of 6 January restart interviews are being booked for four to five weeks in advance.

18. By mid December Stevenage was booking appointments for January.

Kennington Park National Insurance Number (NINO) Contact Centre was originally set up as a solution for London to deal with the high volumes of people requesting National Insurance Numbers. In the longer term it was agreed that the Contact Centre in Grimsby would be best placed to handle NINO applications with any “overspill” being handled by the Contact Centre at Liverpool. There is already a pool of staff at Grimsby able to take over this work.

London customers will still be given their face-to-face interview. There are currently six sites in London where applicants can attend for their NINO application face-to-face interview (Tooting, Camden, Hounslow, Harlesden, Stoke Newington, and Walthamstow). The sites in Walthamstow and Stoke Newington will close later in the year and be replaced by a site at Cityside. Work at the Kennington Park Centre is being managed down in a phased approach to allow existing staff to be re-deployed elsewhere in the business. This solution will ensure standards of customer service are met both now and in the future.

Devon and Cornwall District obtains a “snapshot” of interview dates once a week on a Friday. We therefore do not have evidence of the situation on 19 December. On 16 December the earliest date available for an interview was 22 December. On 23 December the earliest date for an interview was 9 January. This does not include cancellations or emergency appointments. The “snapshot” taken on 17 February showed the earliest interview date available was 23 February.

Customers living in the wards of St Johns and Mixenden continued to have their restart interviews booked and conducted within a three to four week period. All restart interviews have been booked within the four-week period and there is currently no outstanding backlog of interviews to book. However, the non ward customers were waiting four to five weeks for an interview and as of 20 February 2006, the delay for non-ward customers has increased to between seven to eight weeks with approximately 200 interviews outstanding. In order to address this, from 27 February, extra adviser resource was allocated to focus on these interviews and to reduce the waiting time to within the usual four weeks by the end of March 2006.

Customers have not been financially disadvantaged by the extra waiting time for their Restart interviews.

Statistics, kept by Stevenage Jobcentre Plus office at the time, indicated the number of working days between the initial customer telephone call and the customer work focused interview were:
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Week Ending 02.12.05—nine days
Week Ending 09.12.05—eight days
Week Ending 16.12.05—seven days
Week Ending 23.12.05—six days
Week Ending 30.12.05—six days

As at 16 February, the number of working days between the initial telephone call and the work focused interview was nine days. Performance is still being monitored closely.

IT
20. On Wednesday 18 January Middlesbrough Contact Centre reverted to clerical procedures. This is due to the failure of the CMS.

Nationally on Wednesday 18 January CMS experienced technical difficulties and was unavailable for approximately one hour on a national level. The situation was rectified as soon as possible. In the event of a full CMS failure we have contingency processes in place. The contingency process includes issuing clerical claim forms.

24. Swindon’s go-live date for CMS has been delayed until 1 February, representing a three week slippage.

Swindon went live on CMS as planned, on 11 January 2006. Prior to go-live consideration had been given to delaying Swindon’s go-live but the final decision was that Swindon should go-live on the date originally planned.

Performance/Service

26. An office in Coatbridge in Lanarkshire (where as many as 10,000 people are claiming benefits) will be closed on 27 January and will mean people looking for jobs will have to travel up to five miles to neighbouring Airdrie or Bellshill. The Jobcentre will be turned into a benefit processing centre. No public services will be offered and all job hunting activity will be done at centres in neighbouring towns. In Lanarkshire there is a depressed economy and an unemployment problem. Coatbridge is the first of six towns in Lanarkshire which will lose their local centre.

The statement is correct in respect of the closure date of Coatbridge office and the additional distance that some customers will have to travel to their nearest Jobcentre Plus office. It is also confirmed that the co-located Coatbridge Jobcentre/Social Security site will become a Benefit Delivery Centre.

However, the figure of 10,000 relates to all benefits and the majority of these customers are not required to visit a Jobcentre Plus office regularly. Only Jobseeker’s Allowance customers, about 950 in the area, are likely to be affected. Jobcentre Plus will continue to have a permanent presence in Coatbridge. A range of flexible service delivery options, where customers can access help to find work and their benefits, will be available in the town, including the Council’s First Stop Shop.

29. London has experienced a cut in training provision for the unemployed. The programmes budget for New Deal was issued in June. The budget for Work Based Learning for Adults was not issued until mid July. It was recognised early in 2005–06 that there would be an overspend on the Programmes budget in London due to the number of unemployed claimants eligible for New Deal and Work Based Learning. The New Deal budget had a 41% reduction with no reduction in expected claimant volumes. By the time the Work Based Learning budget was received London was already heading for an overspend as the budget had already been spent in the first six months. As a result some training providers have had their contracts terminated. Margaret Hodge instructed JOBCENTRE PLUS London to reinstate some courses. As a result London is set to overspend on this year’s training programmes budget by £13 million. We are not yet clear what the effect of this will be upon future training provision in London.

It was recognised in early 2005–06 that a potential overspend may occur as the programme budgets were reduced from their 2004–05 levels but this reduction was not reflected in the volumes of clients seeking access to programmes. Since then London has secured a further £17 million to counter this shortfall. London is now currently forecasting to live within its revised “Authority to Spend”. New Deal provision and WBLA BET are continuing unabated along with Programme Centres.

31. Services to homeless people are provided through the Southwark Homeless Service have been combined to form “The
unit and through the London Homeless Service Team (LHST) who conduct outreach surgeries in around 60 locations across London, mainly where homeless people congregate. It is planned to close the Homeless Unit in two years time. Alternative premises are being sought. There are also plans to cut the number of staff working in the unit from 38 to 22. This will involve withdrawing from a number of outreach sites and changing the Employment Advisers roles. In the main the staff are being instructed to just concentrate on finding homeless people work rather than also dealing with benefit and other problems.

33. “Hi I am not a member but would like to say that I back your strike at the job centres, I am a carer and therefore a user of the DWP. I feel the staff are at present not coping with the demands placed on them. I need to contact my DWP office via the phone it can sometimes take days of continual redialling, a situation that is just not good enough. When you get through the staff try their best to help.” Text of a letter from a customer to PCS

Standard Operating Model (SOM)

41. At a meeting with management on 17 January, PCS were advised that the Standard Operating Model (SOM) for new and repeat claims to benefit was being revised. The revision was based on assessment of the Contact Centre performance and the pilot of the Financial Adviser (FA) pilot in Cheshire. PCS were told that there were still many calls being abandoned but that the figures showed that the number of inappropriate calls were not reducing. Management also acknowledged that operational FA’s had been massively underwritten with staffing resource from other parts of the offices and that the FA job had to be adjusted.

42. The proposals are to pilot a new way of end-to-end working using an initial 0800 contact number which will give customers the opportunity to select the correct service from a menu and they will then be forwarded to the appropriate section. The next stage of the process will change in that the Inbound and Outbound call will be combined so that there is no need for a callback appointment to be made.

43. If a Work Focused Interview (WFI) is necessary then an appointment will be made with the Adviser in the Local Service Outlet (LSO). Jobcentre Plus Management have previously stated that a lot of the problems have been caused by staff being reluctant to change. We believe that the need to revisit London Homeless Partnership”. This new organisation will bring in voluntary sector workers and statutory authority partners and will offer a much wider, and more comprehensive, range of services to homeless people in London.

Jobcentre Plus Advisers working with homeless people aim to help them resolve their long-term issues and barriers to work in order to equip them for their future, not just deal with “today’s problems”. It is with this in mind that the focus of the advisers work has moved from simply dealing with benefit problems to also including job seeking advice and guidance and within this tackling underlying social exclusion issues. Southwark Homeless Unit operates out of “Wedge House”—this entire building is under two year closure notice by the Landlord as the building is due to be demolished—alternative accommodation is currently being sought.

It is difficult to comment on this individual case as it is unclear where the customer is telephoning. Customer service is important to us and we have charter standards for answering telephones and responding to written correspondence.

Part of the process for introducing the SOM is to rationalise and make improvements to current processes. Jobcentre Plus evaluates its processes to see if they can be improved. It is wrong to say that the revised process is based purely on CC performance and the FA Pilot—they are two of many factors that were fed in to the revised process, along with suggestions for improvement received from field colleagues.

This statement is correct with the following minor amendment:

The revised process addresses a number of issues with the current process that have been flagged up by colleagues in operations as well as centrally. Suggestions for improvement included the need to review the FA job role and the first contact process—both of which have been incorporated within the SOM Process Review Pilot which have been discussed with a wide range of colleagues from
the job design of the FA role and the first contact process confirms our contention that the problem lies with the system rather than staff. In particular the fact that there is resource being ploughed into supporting the FA part of the process proves that the initial assumptions were incorrect and that the claims process was not sustainable in the longer term. This was a clear statement at the meeting on 17 January.

44. Management’s proposed solution at the moment appears to be to take part of the work away from the FA and put it into the Benefit Delivery Centre. We believe that this is merely going to transfer the problem rather than solve it, as staffing allowances were predicated on the initial job design. Just moving part of the work without moving resource cannot deliver the required level of service.

Mystery Shopping

45. In an Eastern Region Jobcentre a “mystery shopper” call was handled correctly by switchboard. The shopper was given the correct enquiry number but the shopper was unable to get through for the maximum six attempts over a two day period.

46. A mystery shopper telephoned a local office in Scotland and was correctly advised to contact the appropriate contact centre with regard to their query. When the score for the office was received it was discovered that because the contact centre had subsequently given the mystery shopper incorrect advice, the local office had been deducted points. This was checked and staff were advised that this is the correct procedure.

Managing Attendance

47. The attendance management policy means staff feel as though they have to attend work even when sick. This stems from the policy on attendance management. If staff take more than eight days leave, this is a trigger point and staff are issued with a warning often regardless of circumstances.

Jobcentre Plus regards improvements to attendance performance as a key business issue. Staff absence has been unacceptably high in the past. Those staff who are genuinely ill are not under pressure to attend work. Our performance has improved over the past year. The latest figures for our performance for the current operational year (for December 2005) show 10.2 Average Working Days Lost (AWDL), which compares well to our performance at the same point in 2004 when performance was recorded at 12.4 AWDL, an improvement of 2.2 days.

Jobcentre Plus has implemented a number of Healthy workplace initiatives (eg Well Being at Work) to address some of the root causes of absence in the workplace; it is working with its Occupational Health and Estates partners to ensure that appropriate and effective support is available for the business; and it is piloting a “Network Days” initiative where staff can, at short notice and with no questions asked, request a day’s leave to deal with unforeseen domestic situations—previously some would have taken sick leave.
48. In Clydeside and Argyll no discretion seems to be applied with the eight day warnings. Offices in Clydeside and Argyll correctly follow the eight-day warning process as laid down in the Attendance Management Policy and apply discretion as necessary.

49. In Fife Jobcentre the number of staff now being dismissed is significant and the PCS branch has submitted two Employment Tribunal claims. The statement is correct in that PCS have submitted two Employment Tribunal claims. One case refers to a member of staff dismissed following Attendance Management action and the other from a member of staff who resigned and is now claiming constructive dismissal. Since September 2005, three staff from Fife has been dismissed as a result of Attendance Management action. All normal HR procedures and policies have been adhered to in these cases.

50. In Lanarkshire, the number of staff on oral warnings increased from nine to 92. There has in comparison to previous years been a significant increase in the number of oral warnings in relation to Attendance Management in comparison to previous years. Lanarkshire has in the past, had high levels of sick absence and had traditionally conducted informal interviews when more formal action and an oral warning was appropriate. The correct action is now being taken and has resulted in the increase number of oral warnings. In 2004, there were 15 oral warnings and 120 in 2005. Sick absence levels, which formerly ran at 12.7 Average Working Days Lost, has reduced to 6.9 days.

51. Senior management have toured the Glasgow offices in an effort to appease staff and allay fears. Management are unsure of the exact staffing levels required in the Benefit Processing Centres. In Scotland management have stated that there is no money available for training, and consequently staff would be located based on existing work experience; it is not a Preference Exercise. Those staff deemed to be surplus in the Migration process would be placed in a Selection Pool. This directly contradicted what had previously been mooted, namely that, on the grounds of fairness and reasonableness, staff would have to bid for their own post if they wanted to stay in Social Fund, for example, to give everyone an equal chance. Management were unable to provide PCS members with any information to show how the Governments’ overall job reductions were to be attained after the Migration plan has been concluded in December 2006. Efficiencies through centralisation were mentioned but again no actual statistical evidence was forthcoming. Members were assured that, as far as benefit processing staff were concerned; only FA and FAM positions would remain in local offices. This contradicts what staff in Partick and Anniesland offices have been told. Local management has told PCS that there will be more jobs than there currently are staff in.

Senior Management visited the Glasgow processing offices as part of the communications strategy to talk to staff about the proposed migration plan for moving work towards Benefit Delivery Centres.

The definition of the Selection Pool is currently with our Trade Unions for consultation. Senior Management met with the Trade Union on 17.2.06 to discuss proposals for the selection and a further meeting is scheduled for 24.2.06. The Selection Exercise is based on the needs of the business and normal rules on mobility will apply for each grade.

Plans to migrate processing work were drawn up and shared with the Scottish Trade Union at the end of October 2005. A timeline for moving work was proposed on a phased basis between March and December 2006.

Further proposals will be discussed with our Trade Unions on 24 February and there will be further discussions as plans are firmed up.
the district. However they cannot provide any empirical evidence or give any assurances to staff.

52. The Red Amber Green tool (RAG) for personal advisors has been used as a threat and has also resulted in staff with no previous problems with performance suddenly getting marked Red.

53. In Somerset a violent incident arose on 17 December 2005, when a limited service was being provided on a Saturday with inadequate security cover and inoperative CCTV. A customer wanted a Social Fund Crisis Loan, but this service was not available on Saturday, and the result was that one of the Group 4 security officers was punched in the head and had to take sick leave as a result.

VIOLENCE

A serious incident did occur on 17 December 2005, during which a member of staff was injured and property damaged.

The risk assessment and the Local Incident Management Plan (LIMP) was reviewed and signed on 16.12.05, after full agreement with all relevant staff. Following this incident the LIMP is being reviewed again with all relevant staff to be included in the review process.

CONSULTATION

54. Across the Glasgow area the department’s plans will see the closure of eight local offices. All benefit processing will be undertaken at one Benefit Processing Centre in the city centre. That office will have no face-to-face contact with the public. Instead benefit customers will have to interact with the department by telephone. Management should advise customers, customer interest groups, MPs and Local Authorities of these plans. They are also required to negotiate with the constituted trade unions over the various issues brought about by these changes. To date management have done none of these things. In fact, management themselves have told PCS they don’t really know what will happen to staff, and they see no point in carrying out risk assessments on how this change of benefit processing will affect staff or customers alike.

Glasgow’s Service Delivery Plan, including office closures, was decided two years ago and remains unchanged. Consultation took place at that time with MPs, MSPs, local Councillors and a wide variety or external partners and stakeholders. Our Trade Unions were included in the consultation.

While some sites have closed, Jobcentre Plus has not withdrawn its services from any area in Glasgow. For example, Shettleston Jobcentre closed but Shettleston Social Security office was modernised as an integrated Jobcentre Plus office, serving customers in that community.

Benefit processing will be delivered from two Benefit Delivery Centres in Glasgow, Northgate and Springburn.

Risk assessments, of which TUS are a part, are an integral part of our planning process for Benefit Delivery Centres and Glasgow District are fully committed to meeting their obligations in this area.
Results of the Staff Survey

We would like to draw the following extracts to your attention.

**The numbering of questions below does not correspond with the paragraphs. It is the numbering of the questions from the survey.**

Background

In Jobcentre Plus, 42,012 people responded, giving a response rate of 52%. This means that 48% of Jobcentre Plus staff offered no view therefore we do not know how almost half of our workforce would have responded to the questions that PCS have highlighted below.

For those who responded, of 72 questions where comparative information was available from the 2004 DWP Survey, 48 questions showed a reduction in satisfaction, 13 were unchanged and 11 showed improvement.

These were disappointing results for Jobcentre Plus but perhaps not altogether surprising given the scope and pace of change over the past year. However, we are absolutely clear we cannot be complacent about this and will be drawing on the results as a foundation of how we engage with our staff.

14. DWP Staff Survey—Jobcentre Plus Findings

Section 4

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<th>% Very dissatisfied</th>
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Only 37% are satisfied with their job.

Many changes have taken place in the last year as a result of, for example, centralisation of benefit processing and the ongoing changes resulting from the organisation design review. As a result, many people are having to change role, locations, managers, and they need time to adapt to these changes. The context of required large reductions in staff numbers has led to an overall sense of job insecurity. The completion of organisation design review activity, the completion of Jobcentre Plus rollout activity and the new operational delivery model should help to increase job satisfaction.

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<th>% strongly disagree</th>
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<td>9b I obtain relevant learning before any changes take place which affect my job</td>
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Only 27% thought they obtained relevant learning before any changes took place which affect their job.

Jobcentre Plus has a robust learning and development strategy that focuses on ensuring people receive the right learning in order to carry out their roles. There has been a move away from predominately classroom based learning to a blended learning approach designed to ensure that learning is relevant, delivered efficiently and at the right time. Inevitably, some of the job role changes require additional learning and it will take time for staff to fully acquire all the skills needed to perform at fully competent levels.

9f My career development needs are being met

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Only 18% thought career development needs are being met.
It may be difficult for staff to identify career paths during a time of such major change. However, DWP is doing a lot of work via its skills strategy to help people map out career paths that look at transferable skills and competencies across the organisation. The Performance & Development System (PDS) and an increasing focus on maintaining Personal Development Plans (PDPs) encourage people and their managers to have regular discussion about current roles and future aspirations. Indeed, people’s satisfaction with the PDS system was shown to have increased in the 2005 survey results. In the coming year we intend to engage our staff more proactively in taking a personal stake in their own development. Jobcentre Plus is also introducing a talent management programme to enable us to identify and support talent at early stages.

9h I am able to access the learning and development opportunities I require, when I need them

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Only 31% felt able to access learning and development opportunities when needed.

Jobcentre Plus has a robust Learning and Development (L&D) strategy that is designed to ensure that people receive appropriate learning in the right way, at the right time. There has been a large investment in L&D infrastructure, for example, Intranet-based Learning Zones and Routeways where people can assess their own development needs against available courses and other interventions.

9j I am given a real opportunity to improve my skills in this organisation

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Only 18% felt they were given a real opportunity to improve skills in DWP.

All jobs within Jobcentre Plus require the development of high skill levels. The Performance and Development System (PDS), as well as Personal Development Plans (PDPs), give people and their managers an objective opportunity to review skills and development. Managers are being upskilled to enable them to proactively manage performance within their teams.

11b DWP does a good job of keeping me informed about matters affecting me

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Only 26% felt DWP does a good job of keeping them informed of matters affecting them.

There are regular communications to staff cascaded through DWP Directorate leadership teams. There are also regular communications on the Intranet from the Permanent Secretary, Ministers, and other sources.

11d(i) I am given sufficient information regarding changes that are going to be made within my part of DWP

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Only 27% felt given sufficient information regarding changes that will be made in my part of DWP.

There are high levels of varied communication activity designed to keep people informed of changes that affect them. “Have Your Say” is a DWP Intranet forum that allows people to say what they think on any issue. At local level, managers have regular meetings with their teams to discuss organisational, operational and local issues.

“TeamTalk” is a monthly cascade mechanism that enables issues and information from the Board to be discussed by all staff. It includes a feedback mechanism to ensure that people’s views are fed back to the senior leadership team. Jobcentre Plus publishes a monthly magazine, “Plus”. This is another useful resource for sharing news across the organisation and in disseminating senior leadership messages to our people. More recently, “YourTalk” has been established within Jobcentre Plus as a regular phone-in forum where people can ask Jobcentre Plus board members about any issue.
11g I have the opportunity to contribute my views before changes are made which affect my job

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Only 16% felt they have the opportunity to contribute views before changes are made which affect their job.

Jobcentre Plus is introducing a “Start Stop & Change Process” which will further increase people’s opportunities to discuss issues raised by the staff survey. The process encourages open, honest discussion of the survey results and encourages people to think about what they can do, individually and within their teams, to take action on issues that have been raised in the survey. There is also a feedback mechanism to ensure that issues, concerns and suggestions for action are made available to the Board. The Board is committed to reporting back to people on progress made.

Board members will give an ongoing commitment to keep all survey feedback under review and to ensure that issues are considered within the fabric of all communications and events.

13a The promotion systems used within my part of this organisation operate fairly

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Only 13% thought the promotion systems operate fairly.

13b Level (non-promotion) transfers are organised fairly within my part of this organisation

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<td>24</td>
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<td>41</td>
<td>39</td>
<td>42</td>
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<td>11</td>
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<td>13</td>
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<tr>
<td>%</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Only 12% thought level transfers are organised fairly within their part of the organisation.

It is understandable that many people believe that promotions and transfers are being organised unfairly. Changes are affecting different levels at different times; some are required as a result of benefit processing centralisation, other moves as a result of the organisation design review. These changes have robust processes associated with them which have been fully consulted with the Trade Unions.

24 Over the last three months, how many hours per week (on average) have you worked over your contracted hours?

(percentage favourable score shown represents the proportion of people who indicated less than three hours)

<table>
<thead>
<tr>
<th></th>
<th>% more than 15 hours</th>
<th>% 12–15 hours</th>
<th>% 9–12 hours</th>
<th>% 6–9 hours</th>
<th>% 3–6 hours</th>
<th>% less than 3 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobcentre Plus 2005</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>28</td>
<td>41</td>
</tr>
<tr>
<td>Jobcentre Plus 2004</td>
<td>10</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>29</td>
<td>39</td>
</tr>
<tr>
<td>DWP 2005</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>28</td>
<td>42</td>
</tr>
</tbody>
</table>

Nearly 60% of those surveyed are doing more than three hours overtime per week and almost 20% are doing more than nine hours per week.

It is true that everyone is having to work hard to deliver our services. It is anticipated that the need for overtime will reduce once the remaining organisation design review changes have taken place and people take up their new roles.

Another important action to mitigate the need for overtime is a reduction in sickness absence. Jobcentre Plus has made substantial progress in understanding and reducing Long-term Absences and Average Working Days Lost (AWDL) figures. This work will continue.
28b(ii) *In my experience, the following grades within my part of DWP provide effective leadership: Grades 6 and 7 (Bands G & F)*

<table>
<thead>
<tr>
<th></th>
<th>% Strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobcentre Plus 2005</td>
<td>17</td>
<td>23</td>
<td>40</td>
<td>17</td>
<td>3</td>
<td>20%</td>
</tr>
<tr>
<td>Jobcentre Plus 2004</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DWP 2005</td>
<td>15</td>
<td>21</td>
<td>40</td>
<td>20</td>
<td>3</td>
<td>23%</td>
</tr>
</tbody>
</table>

Only 20% felt Grades 6 and 7 provide effective leadership.

28b(iii) *In my experience, the following grades within my part of DWP provide effective leadership: Senior Civil Service*

<table>
<thead>
<tr>
<th></th>
<th>% Strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobcentre Plus 2005</td>
<td>23</td>
<td>26</td>
<td>44</td>
<td>7</td>
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<tr>
<td>Jobcentre Plus 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>DWP 2005</td>
<td>20</td>
<td>24</td>
<td>45</td>
<td>10</td>
<td>1</td>
<td>11%</td>
</tr>
</tbody>
</table>

Only 8% felt the Senior Civil Service provide effective leadership.

28c *My part of DWP manages change effectively*

<table>
<thead>
<tr>
<th></th>
<th>% Strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
</tr>
</thead>
<tbody>
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<td>Jobcentre Plus 2005</td>
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<td>29</td>
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<tr>
<td>Jobcentre Plus 2004</td>
<td></td>
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</tr>
<tr>
<td>DWP 2005</td>
<td>16</td>
<td>26</td>
<td>31</td>
<td>24</td>
<td>3</td>
<td>27%</td>
</tr>
</tbody>
</table>

Only 23% felt DWP manages change effectively.

28d *DWP as a whole is well managed*

<table>
<thead>
<tr>
<th></th>
<th>% Strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
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</thead>
<tbody>
<tr>
<td>Jobcentre Plus 2005</td>
<td>30</td>
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<td>9%</td>
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<tr>
<td>Jobcentre Plus 2004</td>
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</tr>
<tr>
<td>DWP 2005</td>
<td>26</td>
<td>33</td>
<td>30</td>
<td>11</td>
<td>0</td>
<td>11%</td>
</tr>
</tbody>
</table>

Only 9% think DWP as a whole was well managed.

Only 7% have overall confidence in senior managers within DWP.

Leadership capability is an important issue within Jobcentre Plus. Our Leadership Development Programme will ensure that there is consistent application of leadership behaviours, aligned to our values, at Board level and all other levels of leadership in the organisation. The Jobcentre Plus Management Board and Senior Leadership Teams across the business are now involved in a programme of activities to build their leadership capabilities and to embrace the agreed Jobcentre Plus Leadership Behaviours.

There will be a new mandatory leadership objective for 2005–06 aligned with the four leadership expectations launched Leigh Lewis in December 2005. The Leadership Development programme will be a key enabler for this objective.

Jobcentre Plus will present proposals in the first Quarter of 2006–07 on how effective leadership will be linked to performance, behaviours and recognition. It will need to better define and articulate the roles of senior leaders across the organisation in ways that our people can understand. SCS members will commit to specific time engaged in site visits, further “YourTalk” type events and continue to talk to people at every level, not just local senior management teams.

Professional Skills for Government (PSG) is rolled out to leadership levels within Jobcentre Plus down to, so far, Grades 6 and 7.
29e  *I feel valued by my part of this organisation*

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<td>17%</td>
<td>18%</td>
<td>21%</td>
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</table>

Only 17% feel valued by their part of the organisation.

31d  *I am proud to work for DWP*

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<td>22%</td>
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<td>25%</td>
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31e  *I am proud to work for my part of DWP*

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<td></td>
<td>33%</td>
<td>36%</td>
<td>37%</td>
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31f  *My part of DWP does an important job*

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<td></td>
<td>22</td>
<td>27</td>
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<tr>
<td></td>
<td>78%</td>
<td>82%</td>
<td>79%</td>
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</table>

Although 78% felt their part of DWP does an important job, only 22% felt proud to work for DWP and only 33% felt proud of their part of DWP.

32  *Considering everything, how would you rate your overall satisfaction with DWP at the present time*

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<tr>
<td></td>
<td>18%</td>
<td>17%</td>
<td>23%</td>
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</table>

Only 18% were overall satisfied with DWP at the present time.

Jobcentre Plus has introduced a development programme, “Working Together”, that is designed to give everyone an opportunity to consider the way that we do things and to consider the behaviours we need to reflect our Values and support our vision for the future. The results of the survey provide an important input to the Working Together discussions that will take place within teams. Working Together is currently working within 100 sites across Jobcentre Plus and will be rolled out on an ongoing basis until 2007.

The move to Job Outcome Targets (JOT) will enable our frontline staff to use more of their professional skills in helping people into work. JOT requires operational methods that should encourage a greater sense of teamwork and support.

Work is also progressing to define our new people engagement strategy across Jobcentre Plus that is designed to ensure that everyone understands their personal contribution to delivering our services and is enabled to develop their skills and aspirations.

February 2006

**Eighth supplementary memorandum from Jobcentre Plus—Response to further Questions on Jobcentre Plus’ Efficiency Programme**

Q1. You’ve supplied us with overall figures for the Q3 Customer Service target (for which thanks). Could you give us also the Q3 customer service target performance for the (a) Group 1, (b) Group 2, (c) Group 3 and (d) Group 4 Contact Centres? Can you explain how the “average” figure is derived from all the district and contact centres figures?

A. Quarter 3 Customer Service target performance for each Contact Centre group is as follows:

- Group 1—78.7%
- Group 2—79.7%
- Group 3—65.5%
- Group 4—71.7%.
The calculation is based on the addition, rather than average, of points scored under each of the elements, for each interaction. So, for example on the figures for Quarter 3 above, Group 1 scored 4,499 out of a maximum 5,720 points available in Quarter 3, giving 78.7%.

The number of points available for Jobcentre Plus Direct (contact centre) sites differs from the maximum points for Local Service Outlets as Jobcentre Plus Direct sites are measured under three elements (speed, accuracy and proactivity), rather than four (speed, accuracy, proactivity and environment).

Q2. Is it correct to say that there are 22 Contact Centres running CMS in the UK, and 37 in total?

A: The number of Contact Centres operating in the Contact Centre Directorate is as follows:
   - Nine Employer Direct Contact Centres
   - One National Benefit Fraud Hotline Contact Centre
   - 22 Contact Centres delivering First Contact via CMS.

   In addition to these Contact Centres, Jobcentre Plus also has two transitional centres due to close in February (Cwmbran and Banbury), one smaller satellite centre (Harrow) which operates CMS and one new centre under development and due to open in May 2006 (Bangor). In conclusion there are currently 35 Contact Centres of which 23 deliver CMS business.

Q3. When Jobcentre Plus offices are reducing their hours is this subject to a consultation process? If so, what form does this take?

A: The majority of Jobcentre Plus offices are open from 9am to 5pm, Monday to Friday. There will however be occasions when opening hours are adjusted. This may be because premises are shared with other services and hours are adjusted to be consistent with them. Opening hours are also adjusted if demand does not warrant full opening hours. Office opening hours are kept under regular review to ensure a good service to our customers.

   Decisions on opening times are taken by District Managers in conjunction with Operational Directors to meet the needs of local communities. It is expected that District Managers will consult with MPs and key stakeholders when there is a significant change to service delivery.

   In the last year 36 offices have reduced their hours. The changes are well publicised so that customers know the hours of opening in a particular location.

Q4. In the evidence session on 18 January (Q101) PCS suggested that some officers were being put on a list called “club zero” if they had not placed someone in a job, which was then published. Can you confirm/deny this? (if not already covered in PCS response)

A: Neither the Chief Operating Officer nor his senior managers recognise the term “club zero”.

   Jobcentre Plus action to improve adviser performance is not designed to stigmatise or to bully. Jobcentre Plus does not accept a culture where bullying is tolerated and this is taken very seriously. The Red/Ambert Green (RAG) tool is one of the ways in which advisers are supported to achieve the best outcome for our customers. The RAG tool helps advisers to reach a job entry benchmark, achieved by their colleagues. It was designed to identify and remove barriers to achieving performance, including learning and development needs.

   When this tool was introduced, a small minority of managers may have been unclear about the best way to apply it. Jobcentre Plus has reiterated that it should be used to aid performance improvement, through identifying development and coaching needs which can then be addressed.

   The tool has been welcomed by many advisers and their managers as a way of applying consistent performance measurement across the country, and giving recognition to highly performing staff.

Q5. Could the Committee have month-by-month figures for the total amount of overtime worked in Jobcentre Plus for the last two years?

   Jobcentre Plus uses overtime as one method of managing peaks of work at certain times of the year, or particular recruitment difficulties in some areas. Some Saturday working is also built-in to the design of some services, such as our Contact Centres, to give customers more access. Overtime working is also necessary during major changes to offices so that these can be completed outside office hours, with less impact on customers. Overtime is offered to staff on a voluntary basis.
MONTHLY ANALYSIS OF OVERTIME EXPENDITURE (£)—2004–05 and 2005–06
(Year to Date—January)

<table>
<thead>
<tr>
<th></th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>814,269</td>
<td>1,292,339</td>
<td>1,470,184</td>
<td>1,507,550</td>
<td>2,188,631</td>
<td>2,018,288</td>
<td>2,017,256</td>
<td>2,755,672</td>
<td>1,825,334</td>
<td>2,760,505</td>
<td>0</td>
<td>0</td>
<td>18,650,028</td>
</tr>
<tr>
<td>2004-05</td>
<td>1,443,205</td>
<td>471,939</td>
<td>1,164,850</td>
<td>1,115,568</td>
<td>1,230,054</td>
<td>1,425,604</td>
<td>1,350,657</td>
<td>1,940,755</td>
<td>1,358,663</td>
<td>1,734,710</td>
<td>2,612,514</td>
<td>4,314,594</td>
<td>20,163,113</td>
</tr>
</tbody>
</table>

The overtime spent in 2004–05 was 1.07% of total staff costs. The amount to date in 2005–06 is 1.3% of total staff costs.

6. A recent written answer sets out the proportions of calls offered, answered and abandoned each month from June 2004. Performance is reasonably stable until February 2005, when 86% of calls were answered. However, they then deteriorate to 75% in March 2005, 71% in April 2005, 74% in May 2005, 70% in June 2005, 58% in July 2005, 53% in August 2005 and 58% in September 2005 (HC Dec 30 January 2006 col 288W). However, when DWP/Jobcentre Plus responded to the Committee’s request for further information on performance statistics, it stated that in September 2005 “an average of 75.8% of calls made were answered”. Can this discrepancy be explained?

A: The first set of figures quoted in Question 6 above, relate to First Contact call handling only and the later ones for the whole of Jobcentre Plus Direct. There is however, a slight discrepancy between the 75.8% quoted and the actual figure, which was 77.5%. The table below shows the figures together and broken down. The 90% target has been achieved across all areas from November 2005 onwards.

<table>
<thead>
<tr>
<th>First Contact</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Offered</td>
<td>398,698</td>
<td>393,297</td>
<td>561,180</td>
<td>525,392</td>
<td>533,636</td>
<td>730,243</td>
<td>462,598</td>
<td>450,902</td>
<td>470,897</td>
<td>554,970</td>
</tr>
<tr>
<td>Calls Answered</td>
<td>290,301</td>
<td>291,769</td>
<td>391,730</td>
<td>303,090</td>
<td>280,233</td>
<td>427,781</td>
<td>363,328</td>
<td>406,749</td>
<td>443,591</td>
<td>523,557</td>
</tr>
<tr>
<td>Calls Answered (90%)</td>
<td>72.8%</td>
<td>74.2%</td>
<td>69.8%</td>
<td>57.7%</td>
<td>52.5%</td>
<td>58.6%</td>
<td>78.5%</td>
<td>90.2%</td>
<td>94.2%</td>
<td>94.3%</td>
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</table>

<table>
<thead>
<tr>
<th>Jobseeker Direct</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Offered</td>
<td>780,934</td>
<td>751,763</td>
<td>1,104,746</td>
<td>896,343</td>
<td>755,301</td>
<td>2,021,624</td>
<td>762,815</td>
<td>698,932</td>
<td>517,732</td>
<td>888,370</td>
</tr>
<tr>
<td>Calls Answered</td>
<td>683,723</td>
<td>691,628</td>
<td>955,359</td>
<td>765,209</td>
<td>692,403</td>
<td>929,303</td>
<td>719,226</td>
<td>670,284</td>
<td>504,312</td>
<td>864,377</td>
</tr>
<tr>
<td>Calls Answered (90%)</td>
<td>87.6%</td>
<td>92.0%</td>
<td>86.5%</td>
<td>85.4%</td>
<td>91.7%</td>
<td>91.0%</td>
<td>94.3%</td>
<td>95.9%</td>
<td>97.4%</td>
<td>97.3%</td>
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<table>
<thead>
<tr>
<th>Directorate Summary</th>
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<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Offered</td>
<td>1,179,632</td>
<td>1,145,060</td>
<td>1,665,926</td>
<td>1,421,735</td>
<td>1,288,966</td>
<td>1,751,867</td>
<td>1,225,413</td>
<td>1,149,834</td>
<td>988,629</td>
<td>1,443,340</td>
</tr>
<tr>
<td>Calls Answered</td>
<td>974,024</td>
<td>983,397</td>
<td>1,347,089</td>
<td>1,068,299</td>
<td>972,636</td>
<td>1,357,084</td>
<td>1,082,554</td>
<td>1,077,033</td>
<td>947,903</td>
<td>1,387,934</td>
</tr>
<tr>
<td>Calls Answered (90%)</td>
<td>82.6%</td>
<td>85.9%</td>
<td>80.9%</td>
<td>75.1%</td>
<td>75.5%</td>
<td>77.5%</td>
<td>88.3%</td>
<td>93.7%</td>
<td>95.9%</td>
<td>96.2%</td>
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March 2006

Memorandum submitted by TUC

SUMMARY

1. On 23 November the Work and Pensions select committee announced an inquiry into the efficiency savings programme in Jobcentre Plus. This brief submission, based on evidence received from the TUC’s network of Unemployed Workers’ Centres and from trades unionists working in Jobcentre Plus, argues that citizens have faced long delays when claiming benefits, and that these delays seem to be related to the staff reductions caused by the efficiency savings programme, exacerbated by the Customer Management System.

INTRODUCTION

2. The TUC is grateful for this opportunity to present its views to the Committee. The TUC is the voice of Britain at work. With 70 affiliated unions representing nearly seven million working people from all walks of life, we campaign for a fair deal at work and for social justice at home and abroad.
THE EFFICIENCY SAVINGS PROGRAMME

3. The government has announced net staff cuts of 30,000 DWP jobs.1 There are plenty of indications that these cuts are having an impact on JCP’s ability to help unemployed people. In London the New Deal for young people has effectively been reduced to one option, and there are serious cuts in the North East. The Jobcentre Plus website’s “Partners” section includes a notice on “Contracting Strategy” that makes clear the impact of the cuts:

“As you will know, the Chancellor announced in Spring 2004 substantial reductions within DWP. This includes reductions to our current budgetary allocation and this reduction will continue year on year. . . . There is only a finite amount of money available to buy provision for Jobcentreplus customers. This means that in some circumstances difficult decisions will have to be taken and unfortunately not all of our customers will be able to access the provision that they want.”

4. In May this year the Adviser Discretion Fund (which enables front line staff to purchase items like work tools and clothes that will enable their clients to get jobs) was cut from £300 to £100, and an item on the DWP intranet’s pages for JCP Advisers clearly linked this decision to the efficiency reviews:

“This decision has been made by Jobcentre Plus Finance . . . Pressures on Jobcentre Plus programmes and budget, in addition to the requirement to allocate and monitor a finite budget for ADF, have prompted this decision. In real terms the ADF budget has taken a reduction of around 40%. This is a serious issue for Jobcentre Plus and advisers have a responsibility to comply with guidance and ensure that ADF awards are made appropriately. Failure to do so will result in early exhaustion of the fund (there is no capacity to overspend) and could also result in further unpalatable measures in the future.”

5. The most worrying development has been the fate of Building on New Deal (BOND). BOND is the next generation New Deal, empowering staff and personalising and localising support to enable Jobcentre Plus to help the unemployed people who need it most, those with the greatest disadvantages and the most serious obstacles to employment. BOND is currently only offered in 11 pilot areas, but there was at first an assumption that it would be expanded rapidly: this was certainly the premise for the design of other new JCP proposals, such as the DWP refugee employment strategy2 and the progress2work-plus programme for ex offenders, homeless people and drug and alcohol addicts.4 BOND has not been cancelled, but no plans for extension have been announced.

6. And finally, there is the future of Pathways to Work—the very successful programme for helping Incapacity Benefit claimants into employment, introduced in October 2003. 2004’s Opportunity for All report described Pathways as “a cutting-edge, joined-up approach . . . early evidence shows that thousands have already been helped into work” and promised, “we will develop the Pathways to Work pilots.”5

Touchbase, the Department’s internal magazine, was equally positive, informing readers “IB PAs report a change in outlook. ‘Customers are more responsive and are focusing on their capabilities rather than their disabilities. They now see a return to work as achievable.’”6

7. The programme was so successful that this year’s Budget announced that Pathways would be spread to a third of the country, and the Department’s five year strategy, published in February, predicated IB reforms on expansion nationwide. Post-election, everything has gone quiet, and a genuinely successful innovation now seems unlikely to be extended to all IB claimants.

THE CUSTOMER MANAGEMENT SYSTEM

8. The Customer Management System (CMS) is a new system by which claims for benefits administered by JCP must be made, being rolled out nationally (between April 2005 and April 2006). In the districts where the new system has already been introduced, people claiming Income Support, Jobseeker’s Allowance and Incapacity Benefit7 must now claim by phoning a Contact Centre—clerical claims (using a form or walking in to a JCP office) are no longer allowed.

9. When the claimant rings the contact centre (an 0845 number, not 0800—ie charged, not free) a “first contact officer” asks them questions and enters basic details into a new IT system. (Strictly speaking, it is only the IT system that should be known as the Customer Management System, but the whole process is commonly referred to under this title.)

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4. According to the Jobcentre Plus specification for providers, “Contracts for progress2work-plus will be available in BoND prototype districts only.” (Para 1.5).


7. Details will also be taken to support any claim for an “associated benefit” (Housing Benefit, Council Tax Benefit, Child Support).
10. The officer then asks the claimant to find out some information, and arranges a date and time to call back. The final details of the claim should then be taken. DWP documents state that this second call should be within 24 hours of the first call. The completed forms are then posted to the claimant to sign and return, and s/he will be invited to a meeting with a “financial adviser” and a work-focused meeting with a “personal adviser”. The DWP says that these meetings should be within four days of the initial call. The completed forms are sent from these meetings to a JCP processing centre, to calculate the claimant’s entitlement.

UNEMPLOYED WORKERS’ CENTRES

11. The TUC’s concerns have been aroused by a growing number of complaints we have received from the network of 56 TUC-recognised Unemployed Workers’ Centres. The TUC Unemployed Workers’ Centres have been in existence for nearly 20 years, giving a voice to unemployed, underemployed and unwaged people. Their combination of welfare advice and representation, training programmes and campaigns is unique, as is their continuing link to the trade union movement.

12. A survey in the mid-1990s revealed that three-quarters of a million people used the Centres in any one year and that they employed 500 full-time and part-time staff, with another 700 unpaid volunteers. The range of services provided by different Unemployed Workers’ Centres is startling, including basic skills training, health and safety advice, tax credit take-up campaigns, a housing lettings agency, a credit union, addiction counselling, debt counselling and creative writing circles. All the Centres provide advice and representation on benefit claims, which is why they are among the first organisations to find out about problems faced by claimants.

PROBLEMS THIS YEAR

13. The TUC has heard from the organisers of Unemployed Workers’ Centres in three different regions, complaining that under-resourced contact centres, with inadequately trained staff are not performing well:

— Long delays before calls are answered;
— Calls taking a long time, which benefit claimants cannot afford (the calls are to an 0845 number);
— Failure of JCP to call back, despite this being promised;
— Being answered by officials who are badly informed or badly trained, and sometimes do not give correct advice;
— Some claimants, we understand, have been incorrectly told that they do not qualify for a benefit, and the adviser has refused to continue with the claim.

14. When the Unemployed Workers’ Centre rings JCP, the agency is unable to advise how long the client will have to wait for a payment. There also seems to be a great deal of uncertainty about the date on which a claim started, especially when a claimant range several days in succession, without being able to get through. Often they are told that there is no information about the claim on the computerised system. The organiser of the Ipswich Centre commented:

“Even as an experienced advice agency we have found the new system exceptionally problematic, and have several times only managed to make any progress by asking for Customer Services/Complaints telephone numbers because we have had vulnerable clients who needed extra help in getting claims underway without delay.”

15. The TUC has heard from more than one Centre that clients are waiting four or five weeks before they receive their first payment—the record is currently 13 weeks. In these circumstances claimants have to rely on emergency Crisis Loans. Shorter waits can also be trying for some claimants, such as homeless people. Here is a typical story, reported by the Derbyshire Unemployed Workers’ Centres (DUWC)

“In April Mrs X was given a form by her employer stating that her Statutory Sick Pay was to end. She continued to receive half pay from the employer. She went to Jobcentre Plus office and was directed to the phone; she held on for over an hour and then gave up. She tried again several times over a two-day period and eventually got through. She started to give details but when she said that she was still being paid by her employer and her husband was in full time work she was told not to bother with a claim.

“In August a friend said they thought she should get sick benefit and she came to DUWC. We wrote to DWP who agreed that she should claim and allowed her to do so clerically. The claim has now been accepted with the maximum backdating allowed by law of three months.

“As a consequence she has lost six weeks of benefit @ £68.20 a week and possibly a long term gap in her National Insurance Record that might affect future benefit claims up to January 2009 in the short term and her total Retirement Pension once she is 60. The DWP will not accept that the claim was made in April as it is not technically made until the forms are received back at the Jobcentre Plus office. They will not accept the conversation with the call centre as the date of claim! She has appealed.”

16. There seem to be particular problems with JCP’s return calls for claimants who are unable to use the phone because of the effects of a mental illness, who have had to rely on community mental health services staff to help them, either by giving support or actually taking the call. As the time slot is so broad, one of our UWCs has heard complaints from CMHS staff that they are “spending all their time” waiting with clients for JCP phone calls.

Staff Views

17. Unsurprisingly, the staff working in the call centres and in Jobcentre Plus offices are amongst those who are most concerned about these problems. The following was taken from the “Have Your Say” page of the DWP intranet on 19 August:

“Two days ago, I visited an Income Support customer who is suffering from depression. Her illness makes her neglect paperwork and looking after herself. On a good day, she can pick up the phone to speak to her local office.

“The problem now is that she has to telephone a Contact Centre to register her claim for Incapacity Benefit. We made an appointment with the doctor to obtain medical evidence and then tried to ring the Contact centre. After 20 minutes of recorded messages saying that the lines were busy, I could not imagine my client or her elderly mother being able to cope with this.

“I was concerned that she would harm herself if her money stopped, yet I was told that there was no way the claim could be taken clerically. Why do policy makers not realise that we have always had customers who cannot cope with life like the rest of us? Do they not have relatives or friends in this position?

“This is not an isolated incident. I hear reports all the time of how hard it is to get through to the various Contact Centres and about delays in processing claims.”

18. The effect on morale can easily be imagined. As one letter to the PCS magazine View commented during the summer:

“Before CMS, we regularly answered over 90% of calls using the “Vantive” booking system and LMS. Now our service levels can be as low as 50%. . . . . . . The number of complaints is now increasing as clients get irate at the waiting times. Management’s answer to this problem is to harass and bully staff into answering more calls by producing a “naming and shaming” list of people who take a few minutes extra on tea-breaks, don’t go to lunch exactly on time or who spend too long on comfort/toilet breaks. If you want extra time for lunch you have to give at least two weeks notice. Trying to book annual leave between now and September is also impossible. This has resulted in a high number of staff taking sick leave, which in turn, adds to customer waiting times.”

19. One of the most moving documents to be sent to the TUC is the following, taken from a young contact centre employee’s request for a transfer. It is a long document, but it is worth quoting lengthy extracts:

“My reason for wanting to leave this department is because I have had to treat people very poorly, as my job requires this and my managers have instructed me to act in this way. I have had many customers who have been affected but two customers have entirely changed my opinion of this job and whether I should be working here at all, to the point at which I now wish to leave.

“My first customer was a pregnant 20 year old female who lived in a council flat and had just walked over two miles to a job centre to use a telephone and call for benefit. She said she had not eaten in two days and had been losing weight because she couldn’t afford to eat properly. I did as required and took her details then informed her she would have to wait for her call back. This distressed her so, given her circumstances, I also did her outbound call and booked her an appointment at the jobcentre. Her app however was over two weeks away and at this point she asked for some financial assistance to help keep her alive and healthy during this waiting period. I feel at this point we failed her. I have no means to offer interim payments as Sheffield customers are not provided this service, all I could offer her was to fill in an emergency call sheet and MAYBE, if she was lucky they may have a cancellation appointment and she (through this sheet) could get one of these. No money right away and no guarantee she would get an emergency appointment. At this point she burst into tears and began pleading with me to help her. I agreed that this is an unacceptable situation and broke with policy. I then spent up to 45 min phoning Cavendish Court FAM’s until I got to speak to someone. They said the best they could do was bring her upstairs to wait outside the interview rooms and if she was lucky she may get to see someone that day. I

9 View, July/August 2005, p 20.
gave her the name of the FAM and instructed her where to go, but I never found out if she did get an appointment or if she was looked after and was given a meal. I feel I was prevented from helping her properly by my company, and my opinion of the DWP will never recover.

“I request a transfer because this job is poorly organised and planned with no duty of care to its customers and I do not feel trained or able to cope with such desperate people, who are very distressed, when there is nothing my company will let me do to help. Not a day goes by that I don’t wonder what happened to these customers and since dealing with the young man mentioned above I’ve been looking for alternative employment.”

CONCLUSION

20. The TUC has never doubted that the ability to claim benefits over the phone is a valuable additional pathway for claimants; the problem arises when this is the only option. In some cases, quoted improvements in the time taken to answer calls and to call back are the result of reversion to clerical systems, rather than proof that the new system is being made to work. Credible reassurances that JCP can make the new system work with the planned staff level of 100,000 are now a matter of some urgency.

Memorandum submitted by Child Poverty Action Group (CPAG)

BACKGROUND TO THIS RESPONSE

1. CPAG is pleased to respond to this inquiry on efficiency savings and the operation of Jobcentre Plus. CPAG believes that claimants have a right to expect a good, effective and speedy quality of service from Jobcentre Plus. A good quality service is essential to achieve government objectives of tackling child poverty and facilitating entrance into work. For the purpose of this response CPAG has obtained evidence from a small number of advice agencies on their experience of the recent changes to the administration of claims by Jobcentre Plus. The government’s programme of efficiency savings should not be made at the expense of effective service delivery or claimants’ welfare.

2. As a result of receiving a large number of complaints about the operation of the new claiming process with advisers unable to get through to contact centre staff and delays caused by the introduction of the new telephone claiming system, CPAG decided to start a small scale monitoring exercise with a small number of agencies asked to report back on experience in their area. The agencies concerned represented different areas, both rural and urban and included one in Scotland. Our submission represents the results of contacting some of these agencies for a brief assessment of the situation to date relating to the operation of contact and processing centres and their experience of the introduction of CMS. We have tried to protect anonymity by referring to agencies by reference to general geographical areas or cities or parts of cities in the case of London.

3. A number of changes which are affecting service delivery are taking place simultaneously:

— the roll out of Jobcentre Plus in which one office will provide a service on all benefits locally to people of working age—these will replace the separate offices provided under DWP for paying unemployment related benefits and dealing with employment and training and including New Deal and other offices providing advice and help on all other benefits (except disability benefits which are dealt with by a central agency).

— the introduction of telephone claiming including the development of contact centres and processing centres often very remote from the local offices they serve. Initially the telephone claiming system meant the claimant made the initial contact by phone but then received the appropriate paper claim form to complete and then normally had an interview if claiming certain benefits at the local jobcentre or local office of the DWP. In 2005 the telephone based claiming system which had been introduced in a few areas was expanded. Paper claim forms were not abolished but claimants would normally have an extended telephone interview instead and staff at the contact centres would work to a detailed script to elicit the relevant information. Claimants would for certain benefits still be required to attend at the local offices of Jobcentre Plus for interviews.

— the phased introduction of a computerised process including scripts to which staff work at the Contact Centres in order to do full telephone interviews—known as Customer Management System (CMS) which has proved problematic in some areas. However delays have meant that is some areas it has had to be withdrawn. Where withdrawn, claimants although making an initial contact with the contact centre by phone, will receive paper claim forms instead.

10 Down from 122,444 at the end of the 2004–05 financial year. Alan Johnson, giving evidence to the select committee in February, quoted in One Parent Families’ memorandum on Jobcentre Plus submitted to the select committee earlier this year.
4. To be effective the new system must not create delays, errors or deter claimants from making claims because of their experience of the system. The very complexity of the benefit system makes it difficult to reduce to an effective script the questions necessary to establish the basis of a claim. We are concerned, for example, that there may be situations that cannot be covered by a script and this has training implications for staff; that the script may need trials to assess its scope and ability to deal with the every day claiming process. For example claimants may use wrong terms such as disability when they mean incapacity and the script or intervention by the staff member at the contact centre must be able to identify this.

5. CPAG believes that the service to claimants needs to ensure that those that are most vulnerable are able to access the service. Some claimants will be happier to use a phone but others will want to have the opportunity to work through a printed claim form either with the help of a member of staff at Jobcentre Plus or an independent adviser. The range of users of Jobcentre Plus services means that one size fits all is not appropriate and more than one method of making a claim for benefit is therefore important. Yet the new system does not appear to allow for choice.

6. The voluntary sector and local authorities providing welfare rights advice are not responsible for the delivery of the service of Jobcentre Plus although they have traditionally had an important function providing additional support to claimants. Moreover although claimants may look for this additional support from the independent advice sector this service is inevitably geographically patchy in coverage.

7. Our submission concentrates on the feedback we have received from agencies on the practical outcomes for some claimants and the experience of some advisers of the introduction of the new service. We are not in a position to make comparisons between the service provided now and that provided before the changes were introduced. However, it is noteworthy that an experienced adviser has commented: “the amount of time involved dealing with one case has increased fourfold since the introduction of the new system”.

**Summary**

— Introduction of system: this has had a varied impact but in some areas the delays have been so great that Jobcentre Plus have reverted to paper claims.

— Contact Centres and the claiming process: Difficulties are reported getting through to Centres by both claimants and advisers.¹ There is no advisers line and access depends on persistence and the use of contact names and numbers provided by MPs. Call back interviews to complete the claim take little or no account of the claimant’s ability to deal with the telephone process. Initiatives to assist claimants lie entirely it seems with the advice agency network. The call backs may take two to 10 days depending on the call centre involved. Contact Centre staff appear to have little knowledge of benefits and any questions that fall outside the wording of the CMS script cannot usually be answered.

— Failure to use Paper Claim forms: Although paper claim forms are still allowed by law it appears that most contact centres are unaware of this option even for those who will have difficulties dealing with the telephone. The initiative for using the paper claim alternative depends in part on advisers but still is only used in some areas.

— Other issues relating to the claiming process: the new claiming process creates new delays—there are delays before the claimant is interviewed at the local jobcentre and delays before the claim is processed and paid.

— Problems with Processing Centres: apart from Glasgow, long established as a processing centre for much of London, advisers report that it may be difficult establishing who is dealing with a particular case, that there are difficulties created by lost claims, that there is a lack of communication between some Processing Centres and advisers, and inadequate knowledge of certain specialist areas of law.

— Difficulties or delays obtaining interim payments and crisis loans in cases of delay. Most Contact Centres appear not to know that interim payments can be made or even that they exist. Crisis loans may only be made in some areas after claimants are referred to a work focused interview.

— The lack of clear and public information about the introduction of these changes. This major change to the administration of Jobcentre Plus and the introduction of a new computer system have occurred without clear rules for implementation, without ensuring staff know what developments are taking place in their area and without proper consultation with the public and the independent advice sector. The creation of a fragmented service in which several different offices will deal with one claim creates new problems. The changes require clear rules and guidance to be set out in publicly available manuals dealing with processes, standards of service and how offices will need to co-operate.
INTRODUCTION OF NEW SYSTEM-VARIED IMPACT

8. The experience of the system varied immensely between agencies. One agency also served a pathfinder area. Their early experience was that it had worked well but the scheme then only included an initial call to the contact centre and the claimant was then sent a paper claim form. In contrast when the system was extended to the remaining part of the borough and a non paper based claim system introduced the service had proved very unsatisfactory for the first four months with long delays and complaints from claimants and staff about the inability to get through to the contact centre and delays receiving call backs. In some areas although the CMS, call centres and processing centres have been in place for some months the problems and delays persist.

9. In Suffolk the new system proved so disastrous that the CMS was abandoned and there has been a return to paper claims. Here a local advice centre reported that although there had been a contact centre from mid 2003, claimants reported long waiting times to get through, being left in a queuing system for up to an hour. The quality of advice from the contact centre was also very poor and there was no effective link up with the local council in relation to claims for housing benefit. The council reverted to sending out their own forms. Access to the Contact centres improved by April 2004 but later with the introduction of CMS backlogs of claims grew, and in the case of jobseekers allowance some claimants were trying over a period of several weeks to obtain benefit. Although clients were supposed to be phoned back this rarely happened according to a welfare rights specialist at a local advice centre. Eventually CMS was temporarily abandoned and there was a return to the paper based system. The changes had created long term backlogs and it now takes typically five weeks from claim to payment. However the reports from agencies where the CMS and contact centres are in place suggest the service is not dissimilar.

CONTACTING THE CONTACT CENTRE

10. An initial claim to the Contact Centre (CC) must be made by phone and the Centre will then agree to phone back the claimant to do an interview of around 45 minutes. A written note of the interview will be sent to the claimant who will take this to the local office for an initial interview with the financial assessor followed by an interview with the personal adviser. The claimant can be rung when she is with an adviser but the initiative for these arrangements appears in practice to lie with the advisers.

11. Claimants, staff members of Jobcentre Plus and advisers all report difficulties getting through except in the case of the Pembroke Dock CC. However when this was a temporary CC for the Newham area the service was unsatisfactory.

12. Times vary: Advisers take two to three days of constant phoning (Dundee CC); four days to a week (Ilford CC) and 10 to 15 minutes of continual dialing (advisers in part of Scotland). Advisers made the comment that there is a need for an advisers line. Contact is made slightly easier where they have obtained telephone numbers of senior staff via the MP (Oxford advisers) or have acquired a list of named contacts (although lines may be engaged for some time—Ilford CC) or are able to make contact via fax to the customer services section (Ilford CC).

13. Once through advisers may be passed from person to person but they emphasise the importance of at least getting a “foot in the door”.

14. It is inevitable that it will be more difficult for claimants to get through. Many claimants unwilling or unable to use their own phone do use the phones set aside in local jobcentres (the so called “warm phones”) to make contact but there is often a queue for these phones and clients still have to give a number for the Centre to ring back. Advisers criticise the reliance on a phone system for claimants pointing out that some have out of date phones which do not have digits on the dial face to allow the person to press specific numbers to access the right line. Moreover some clients with debts will put repayment of housing/rent arrears and fuel costs above paying off phone bills and may therefore have no land line in operation; reliance on a mobile phone is expensive. One of the advisers in Suffolk, before the paper claims were re-introduced, reported that a client who had failed the personal capability assessment had had to claim JSA. He tried and tried to get through according to the adviser and in desperation went 30 miles to the Jobcentre to use the warm phone. With some help from the staff he did make contact but he remained increasingly worried about getting through on the phone. He had to ring the Jobcentre twice a week but eventually the stress was too great and he returned to incapacity benefit. In another case this time in northeast London the adviser quoted the example of a man who spent five weeks trying to get through.

15. Advisers helping those with mental health problems or learning difficulties who plan hour appointments with clients point to the waste of time spending up to quarter of that time on the phone trying to get through.

16. Calls to a remote contact centre may be problematic. Oxford advisers report that claimants are often unable to understand the Dundee workers and this is particularly the case for those claimants whose first language is not English. There are a considerable number of minority groups in the Oxford area where language is an issue and in the Dundee office there are few staff from minority groups.
CALL BACK PROCESS

17. Advisers report it takes from two to 10 days to get the call back depending on the Contact Centre.

18. Different agencies have reported varying degrees of success obtaining arrangements for call backs when they are with claimants. In Oxford advisers were able to make this arrangement. Advisers in north London and in Newham were able to arrange call backs to be made at specific times (Pembroke Dock and Bridgend CCs). However Newham commented that the initiative had come from them during a liaison meeting. In contrast in the early days of the system the District Change Manager had not been particularly helpful and would not give any contact names to advisers to arrange this. North London advisers felt it would be much more efficient if the claim could be dealt with at one go where they were assisting a claimant as it was sometimes difficult for advisers to be available a the right time.

19. In Scotland the agency dealing with those with learning difficulties has exceptionally reached an agreement that their clients that should receive paper claim forms. However where the claimant has a phone interview the Contact Centre sends the record direct to the claimant who may not be able to understand it or know what to do with it. If the adviser has helped with the phone interview they are able to warn the claimant to expect to receive a note of the phone call and to bring it to the advice centre so that they can help.

20. Another Scottish agency reported that there were many mistakes in these records of call back interviews. Other advisers have not found this to be a problem but a London borough commented that they could be difficult to read and understand. If they are unclear this necessitates a call back to the Contact Centre to clarify the record.

21. Advisers have criticised the phone system as tending to put more some more vulnerable claimants at a disadvantage and the initiative for identifying potential difficulties for these claimants does not appear to be an issue that Jobcentre Plus identify as their responsibility.

QUALITY OF ADVICE FROM CONTACT CENTRES

22. Virtually all advice centres questioned commented that centre staff were unable to deal with questions that were not covered by the script to which the person works. For example a person might not use the right name for a benefit or might say they are not in receipt of a particular benefit, but contact centre staff would be unable to ask the right questions to elicit what the right benefit might be. Advisers felt that staff needed to know more so that they would be able to recognise where the overlapping benefit rules meant that a particular benefit was not paid but there was an underlying entitlement which had an affect on the level of the income support and therefore potential entitlement. An example was given of staff not understanding that certain people would not be able or expected to work—the adviser being asked in an aggressive manner “why can’t your client work?”. Staff cannot deal with questions such as: would I be better off claiming this or that benefit; they are also unable to deal with claims involving specialist issues relating to right to reside and immigration status (feedback from Leeds, Oxford and Newham). They do not identify additional benefits to which the claimant might be entitled or the partner’s potential entitlement—both objectives of the system.

FAILURE TO USE PAPER CLAIM FORMS

23. Regulations still provide for claims to be made by a claim form and CPAG has been assured by staff at Jobcentre Plus Headquarters that claimants should if they request it receive a paper claim form. This is particularly important for claimants with language or other disabilities that may make the use of the telephone difficult.

24. The Scottish advice centre representing many claimants with learning difficulties after initial arguments with the Contact Centre and the Customer Services Division is now able to obtain paper claim forms. However there is no attempt by Jobcentre Plus to find out first whether a particular claimant would be better off with a paper claim form rather than a telephone claim. Nor is there any attempt to advertise this provision—in fact it would appear that most contact centres are unaware that this provision exists. Where claimants have used the paper claim form this does not guarantee a successful claim as it can then be rejected by the local office if not authorised by the Contact Centre.

25. For example Oxford which uses the Dundee Contact Centre reports that they are told that paper claims are not an option. This policy is also repeated by the local office of Jobcentre Plus. Dundee will also refuse to deal with a support worker for a person who is mentally ill without first obtaining that person’s name, address, and National insurance number before talking about the claim. In North London advisers report that no-one can now get paper claim forms.
DELAYS AND INCOMPLETE/INCORRECT TELEPHONE RECORDS

26. We understand that the system has resulted in increased delays before claimants have interviews at local offices and are paid benefit. However in north London it was taking five days to obtain an interview, Walthamstow 7–14 days and Oxford up to three weeks; the information in other areas was unclear. However inadequate staffing also appeared to cause delays. It has been reported that in one area Jobcentre Plus had to bring in emergency staff to undertake work focused interviews. The need to refer people to a work focused interview has also meant that applications for Social fund payments have been delayed in some areas. It is policy to be able to process a crisis loan application within 24 hours but it would be useful to know in how many offices this is now possible. The Scottish advice centre using paper claims reports that they send in the paper claims and are told it will be eight weeks before an interview but the claim is nevertheless processed and paid. They also contrast the system used for young people aged under 18 who can make a claim direct to the young person adviser. Forms are sent out to the advisers to help the young person complete in advance and are then sent back ready for the interview. This they comment is the most efficient way of running the system.

27. Advisers are not in a position to give a clear picture of how long it is taking to process claims from the initial contact to actual payment but this is information we need.

28. A claimant will normally see the financial assessor before having a work focused interview. Where the record of the telephone interview is incomplete or incorrect the financial assessor will go through these issues again with the claimant. Some concern has also been expressed about the fact that CMS keeps records of the claim for only four weeks and one day and then the record is deleted. If a claim is subject to delay then it would appear that the ability to process the claim will depend on the claimant having kept a copy of the phone interview record. This is also a problem for Processing Centres (see below).

PROCESSING CENTRES

29. These vary according to their experience but particular praise was given to Glasgow which for more than a decade has built up experience as a processing centre for most but not all London based offices of Jobcentre Plus. Advisers commented that the Glasgow office keeps its staff and therefore the knowledge of benefit law is retained.

30. The main complaints about dealing with Processing Offices were:
— Finding out who is responsible for dealing with a claim (Oxford).
— Finding out to which office a case has been sent as there have been a succession of different processing centres for the Oxford area.
— Problems finding records (again Oxford where some papers appear to be in transit between offices).
— The need to fax authorisation in order to talk to a member of staff about a claimant—Leeds commented that these are sometimes lost.
— Lost claims (Newham). There is considerable concern about the extent of lost claims by the Hackney Processing Centre and it was reported that it was difficult to get any member of staff to respond to emails and therefore advisers had to refer matters to the Customer services section which was then overwhelmed. The office was reported to be extremely defensive and where claims were lost claimants were being required to make fresh claims without backdating. The complaints about claimants having to make fresh claims have also been made by staff at the local Jobcentre. (It would seem that this problem is also exacerbated by the fact that CMS keeps the claim records for a mere four weeks. Although this issue we are told is now being examined by HQ.)
— Lack of communication between advisers and staff at the processing centre in Hoxton dealing with incapacity benefit. Advisers report that the centre does not respond to calls and if they do say they will call back they often do not do so. (complaint made by Newham advisers.)
— Dealing with specialist points of law (Oxford, Walthamstow, Newham, Leeds). In particular advisers have referred to such issues as right to reside, immigration status and the overlapping benefit rules.

31. Getting through to the Processing Centre was not generally an issue.

PAYMENTS IN CASES OF DELAY

32. Interim payments can be made where there may be doubt about entitlement but where there is delay and the claim is not yet processed these payments are vital. There have always been problems obtaining these but the position appears to be worse than ever now. Several agencies including those interviewed for this report have stated that they have not been aware of any interim payments being made via Contact Centres or that it is impossible to get such payments or that staff at Centres simply do not know that interim payments exist. Claimants have a right to be considered for an interim payment in certain situations but this would appear not be happening.
33. Social fund payments: Most claimants facing delay with a claim are advised to make a crisis loan application. However these too have been affected in some areas by the fact that the local office appears off limits for claiming purposes. Claimants should be allowed to make social fund applications at the local office but this does not always seem to happen and claimants may be referred for a work focused interview before the crisis loan application is dealt with.

FRAMEWORK FOR ROLL OUT OF JOBCENTRE PLUS, APPLICATION OF CMS AND ESTABLISHMENT OF CONTACT AND PROCESSING CENTRES

34. The introduction of these changes has been made without reports to parliament and without consultation with those representing the advice sector. It appears that both staff in Centres and Jobcentre offices and local DWP social security offices are often confused about which office is dealing with which area. Nor is it clear to staff and advisers at what point a particular processing centre may have been changed with the result that staff and advisers are both chasing records relating to a new claim or ongoing claim and no one knows who is responsible. One adviser commented that the new fragmented system means that “nobody takes ownership of anything”. Independent advisers tell clients that the claim will be processed but in fact there is no guarantee that this will happen.

35. There appears to be no overall system of information to which both staff at Jobcentre Plus (in whatever type of centre or office) can refer which gives a list of contact centres, processing centres, the areas they cover and when they came into operation for each area. The need for this is demonstrated by the fact that local offices do not always appear up to date with which contact and processing centres service their area, for example, Portsmouth and Southampton replaced Reading which replaced Canterbury which in turn replaced Milton Keynes for claimants in the Oxford area. As a result staff are often unsure which office is responsible for a case.

36. There is also a need for a manual setting out what the correct processes are in the different offices so that staff can follow these. A manual of best practice should establish standards of service and deal with problem areas.

37. At present the initiatives for helping claimants deal with the new system appear to come almost exclusively from the independent advice and local authority advice sector whether it is a matter relating to setting up a call back system or publicising changes in office structure and responsibilities. A more general complaint made by North London advisers is that Jobcentre Plus is simply not geared up to providing local publicity about local services but at the same time is unwilling to publicise anything other than their own services within Jobcentre Plus offices.

38. Legal problems created by the new system: it is far from clear how the new system complies with requirements under the claims and payments regulations which set clear time limits for claimants to provide information in connection with the claim. If the new process for claiming is creating delays it may be more difficult for claimants to provide the necessary information in the time allowed. This has not yet been reported as a difficulty. In addition the fragmented service creates new problems where there is a change in claim between members of a couple. It is not clear whether this necessarily involves action by both the Processing and the Contact Centres; for example requiring one to close down the live claim and the other to take the new claim. This might happen, for example, where a claim for JSA for a couple is then replaced by a claim for income support. A case was reported by Newham in which this issue has arisen. The claim has not yet been resolved after several weeks. Processes need to be in place and written down for dealing with this type of issue and available to the public at large including the advice sector.

CONCLUSIONS AND RECOMMENDATIONS

39. A major change to the system of delivery of benefits affecting millions of claimants has been introduced with little scrutiny and with no one it appears accountable for what happens. CMS, although described as an “intelligent system”, is not an adequate substitute for well trained intelligent staff who can understand questions or points made by claimants that do not immediately fit within the terms of the script when claims are made. That the CMS record should be deleted in four weeks before a claim may have been resolved also indicates a lack of understanding of the way in which benefit claims work in practice.

40. Arguably the delivery of benefits is as important as the content of social security legislation but whereas the latter is normally incorporated into a legal framework that is open to legal scrutiny and challenge, administrative processes and changes are often dealt with secretly and are not subject to clear standards.

41. CPAG would like to recommend that the processes, guidance and standards of good practice are all compiled within a manual or series of manuals which are public. In addition the Secretary of State for Work and Pensions should be required to produce an annual report detailing the introduction of the new system with an annual update over the next five years.
ABOUT CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the extent, nature and impact of poverty; bring about positive income policy changes for families with children in poverty; and enable those eligible for benefits and tax credits to have access to their full entitlement.

REFERENCES

i Adviser—an adviser in an independent advice centre, or local authority welfare rights worker.

ii Agency—an organisation providing independent advice or a local authority providing welfare rights advice.

Beth Lakhani

19 December 2005

Memorandum submitted by Association of Learning Providers

A. INTRODUCTION

The Association of Learning Providers (ALP) represents the interests of a range of organisations delivering State-funded vocational learning. The majority of our 411 member organisations are independent providers holding contracts with the Learning and Skills Council (LSC) for the delivery of Apprenticeships programmes, with 110 delivering Jobcentre Plus (JCP) provision and 50 contracted to Ufi for the delivery of learndirect. In addition to these members, we have a number of non-delivery organisations such as the ALI and QCA as Associate Members, which means that ALP offers a well rounded and comprehensive perspective and insight on matters relating to its remit.

With regard to JCP provision, our membership database reports that our ALP members deliver to around 30,000 clients in the course of a year. Virtually all strands of JCP provision are represented, including the various New Deals, Workstep, Pathways to Work (PTW) and Self-Employment.

Over the last two years we have built up strong relations within JCP and have aimed to place ourselves as a “critical friend”, ensuring that provider views are adequately represented but also ensuring that JCP perspectives are accurately passed back to our membership. We have also recently established high-levels relations with the Minister for Work, the Rt Hon Margaret Hodge MP which has resulted in regular meetings with our Chairman and Chief Executive.

We believe therefore that we are in an excellent position to pass comment on certain aspects of your current inquiry, particularly in relation to the potential impact of changes to JCP provision on other areas of the skills/employment infrastructure. However, as we are representative of provider organisations rather than clients, we do not comment in this paper on the principles behind, nor performance of, Contact Centres. We would be delighted to give oral evidence to the committee should this be required.

B. SUMMARY OF RECOMMENDATIONS FOR CONSIDERATION BY THE SELECT COMMITTEE

1. We recommend that in their inquiry, the select Committee should pay particular attention to the following issues:

   — The apparent lack of appreciation by JCP of the effect of their decision on provider business viability both in the short- and long-term, leading to damage to the training infrastructure and a restriction of client choice.
   — The absence of joined-up thinking and planning between the funding agencies in many areas.
   — The resultant inconsistencies and anomalies in resource allocation, especially when compared to policy priorities.
   — The lack of engagement with the provider base that would help to properly ensure that what resources are available are optimally used to the benefit of clients.
   — The caseloding of Personal Advisers within JCP both now, and as a result of the planned rollout of PtW and the priorities being given to IB claimants, and its impact on PA effectiveness.
   — Whether JCP locally and regionally are taking appropriate account of the Secretary of State’s expressed desire to avoid “frontline” job losses.
   — The potential for providers to take on more of what is currently considered to be a Personal Adviser’s role, which would generate efficiency savings of its own both directly and via increased productivity and performance on the part of providers.
B. IMPACT ON EMPLOYMENT AND TRAINING PROGRAMMES/CONTRACT MANAGEMENT

2. The first tangible evidence picked up by providers of the impact of JCP’s efficiency savings programme happened in the last months of 2004, when it started to become apparent that there were delays and slippages in some recontracting and tendering timetables for current provision. It soon became clear through collating geographically widespread reports from our members that a pattern was emerging all over the country of not only piecemeal delays, but entire tendering exercises being left “dead in the water” and/or cancelled without explanation in more and more regions.

3. The slippages, delays and cancellation themselves were annoying and inconvenient, but what was even more infuriating to providers was that little or (more usually) no information was being given as to why these were taking place. Given that providers had already made considerable investment in terms of both time and resource into putting together tenders for submission, it seemed reasonable that JCP should at least give an explanation as to why this was happening but nothing was forthcoming. This led to a variety of rumours abounding—that JCP had run out of money and contracts this year would not be honoured; that Building on New Deal (BoND) was not to be piloted but would start immediately; that planned staff cuts in JCP were now so severe that BoND had been cancelled; and so on. There followed a crumbling of confidence in JCP and its credibility, so that when eventually in March 2005 they announced that tendering exercises had been formally cancelled to be replaced by a strategy of rollovers to October 2005, there was a complete breakdown in any form of effective strategic engagement with the provider base.

4. JCP have since this time acknowledged that their communication of events around this time was not of the highest order, and we are not seeking to revisit the issue for its own sake. It is relevant however to reiterate it here, in that we believe the efficiency savings programme, the timescales with which it was introduced, the lack of communication, plus the lack of clear guidance from Government as to what was being expected of JCP in this respect, have undermined JCP’s ability to strategically plan its resources and communicate these changes with its provider base. The effect of this on providers as their businesses and staff morale have suffered during this period of uncertainty has subsequently damaged JCP’s ability to properly assess the capacity of an (even more than usual) rapidly changing supply infrastructure on an ongoing basis.

5. This problem became immediately evident via the implementation of a “national” recontracting strategy released by JCP in Sheffield to their Regions at the beginning of March 2005, based in large measure on the successful London strategy published some months before. The Regions however, seemed largely to ignore this, with the result that whilst some Districts imposed a “mild” 20% reduction in provider contracts, others went for what one JCP official informally described to us as “wholesale slaughter” of up to 80%, resulting in perverse consequences in some areas and swathes of the country lacking provision entirely.

6. This happened, for example, in the North-West, where some Districts contracted for basic skills Initial Assessments but not for any follow-on provision to address identified needs—making it pointless for the learner to be assessed and hence unviable for the provider to keep the basic skills infrastructure going. This example is particularly pertinent in that given the particularly high concentration of Incapacity Benefit claimants in the North-West, and the high level of basic skills needs that tend to be exhibited amongst this cohort (around 40% of IB claimants have few or no qualifications) then the provision of basic skills needs should have been paramount.

7. It is also still happening in North-East London, a proposed BoND pilot area, which currently has next to no adult provision for unemployed people of less than two years duration. The situation is compounded by the recent decision of its Ufi hub to suspend starts due to budgetary programmes and “strongly encourage” its centres to deliver 1st national test passes or IT NVQs only, which means that the slack from the dearth of JCP provision has no means of being taken up at all, that providers are once again being put in a financially very exposed position, and learners are being denied choice (even though Ufi for example are continuing to run advertising campaigns!). The collective effect on the infrastructure across the board is therefore potentially enormous, which is of considerable concern in East London in particular given its preparation for the 2012 Olympics.

8. It is likely that these kind of anomalies resulted from the immense pressure to institute savings within a very compressed timescale without having given clear thought to the impact on the infrastructure of so doing. We can unfortunately cite many examples of local provision having been severely cut seemingly in line with budgets rather than on the basis of local need, which has the de facto effect of excluding clients from some provision.

9. Basic skills and ESOL provision in particular seem to have disproportionately suffered, perhaps in anticipation of the Secretary of State for Education’s announcement in the LSC remit letter of the transfer of this responsibility at some unspecified date in the future. Referrals to such provision have dropped enormously but the feeling is this is not on the basis of a reduction of client need, only because it can no longer be afforded by JCP. We can cite a particularly powerful example in the East End of London where Moslem communities who have been accessing ESOL (English for Speakers of Other Languages) provision funded by JCP are not now able to do so because the provision has been closed as part of the withdrawal of funding for JCP’s Work-Based Learning for Adults (WBLA) provision. This does not seem to fit well with the Government’s priorities with its social inclusion agenda nor for building bridges with disadvantaged communities.
10. In this respect it is useful to note that in a letter from Margaret Hodge MP to our Chief Executive Graham Hoyle on 22 September 2005 in response to his letter expressing concern over the plight of JCP’s ESOL/basic skills provision, she said that:

“As you know the funding situation is very tight, but maintaining the availability of the New Deal mandatory options and some access to Basic Skills and ESOL provision nationwide remain high priorities.” (Our emphasis).

11. In other words, although basic skills provision is a policy priority for the Government in general, given the budgetary constraints JCP are under it is not felt that they can offer more than limited access to such provision for unemployed people at this time, even though this is probably one of the most important skills barriers to regaining employment that any client can face. At present it is unclear where this provision sits or what importance is actually being placed on it by government. It is of vital importance therefore that the responsibility for provision of skills training for unemployed people is clearly resolved—should it sit with DWP, DfES, or (as the NEP suggested) through a sharing of PSA targets in this respect? And what part does government feel it should play in the overall social inclusion agenda?

12. Another serious casualty of the efficiency programme has been the Ambition pilots. In general, we understood that in general these had been successful, albeit more expensive than other programmes. They did, however, fit very neatly with the overall Government push towards workforce skills development, highlighting the skills needs of particular occupational sectors better preparing potential recruits for them. They were also well thought of by clients, providers and JCP staff alike. Had they continued, they would have provided an excellent vehicle for the Sector Skills Councils to engage with pre-workforce skills development (rather more difficult to do under current structures), which in itself could facilitate closer working between JCP and the Learning and Skills Council (LSC)—a clear recommendation of the National Employment Panel in their “Welfare to Workforce Development” report of around 18 months ago. The decision to scrap Ambition was therefore both unexpected and deeply disappointing to all concerned.

13. It seems that the planned rollout of BoND has also been seriously impacted upon by the efficiency programme, even though one of the clear benefits of BoND should have been its potential savings in administrative time and resource. The recent decision to downsize the pilot programme from 11 to seven Districts, whilst not entirely unexpected, has once again placed many providers in an uncertain position as regards the future of their business, meaning that once again confidence in JCP’s ability to plan strategically for the future has been undermined leaving to a haemorrhaging of good staff from providers to seek more secure employment elsewhere.

14. This is compounded by the recent practice by Jobcentre Plus of repeatedly rolling over contracts on a relatively short-term basis, which paradoxically increases uncertainty further and can in fact financially expose providers more than if a firm long-term decision were taken—even if adverse—about their future business. Moreover, such repeated short-term extensions expose the provider, as an employer, to meeting the legal requirements for consultation if redundancies are envisaged, which in itself adds cost and detracts from funding for delivery. Any implicit assumption by JCP that providers should do this as a matter of course is unacceptable, does not maintain the morale of staff and compromises the quality of provision. Indeed, we would recommend that three-year contracting cycles become the norm.

15. These practices, whilst we can understand that they are unfortunately necessary whilst future strategies are being planned, do not in any way aid the process of inter-agency planning and enable adverse consequences such as that outlined in East London to take place. We do acknowledge that Jobcentre Plus have themselves stated that rollovers are not a satisfactory way of conducting recontracting, but we remain concerned that in the absence of firm guidance as to a future strategy in the light of the efficiency programme, that they will nevertheless be resorted to again.

16. Linked to this is the thorny and seemingly perpetual issue of short turnaround times on tenders for new provision. Looking at the current rounds, shortlisted organisations for Prime Contractor status have only until mid-January to finalise their full submissions. This may arguably have been just about manageable given the original deadline for the announcement of the shortlists at 2 December, but at the time of writing no results have been announced and no indication given that the Phase 2 tender deadlines will be moved back to allow for this delay on the part of JCP, for which no reason has officially been given. On top of this is the fact that whatever timescale is employed for tendering, providers will still nevertheless be expected to have all provision in place and ready to deliver by April. Given the need to arrange premises leases, recruit and train new staff, as well as to plan out the operational delivery of what amounts in places to virtual programme redesigns in some specifications. In other words, JCP give the impression that they can “slip” deadlines without any comment or explanation, whilst providers must without complaint accommodate all the results of this.

17. It may well be that the reason for the delay rests with Ministers wishing to oversee in more detail what the results of the tender evaluations are likely to be—but if this is the case, as we suspect it is, then this can be said to be an indirect effect of the efficiency programme on the ability of the training infrastructure to properly respond to policy and delivery needs. JCP and DWP need to be far more open with providers and far more understanding of the effects of their actions on them as organisations, if it is wished to continue with a training infrastructure in place.
18. It should also be noted that the recent seemingly endless round of tendering, retendering, recontracting and speculation is not only damaging in an overall sense to confidence in the system but has a direct impact on the efficiency of delivery, in that it absorbs costs that could be better spent at the frontline. Far too much time and energy is being expended by all in redesigning processes when the outcomes are indirectly suffering as a result. In this respect, whilst the efficiency drive may well end up saving the Treasury some money, these “savings” are probably being in a large measure offset by increased costs to providers and therefore impacting on the delivery to learners.

19. Some of our members have also expressed the view that the tender specifications themselves add cost and complexity to the whole process of recontracting. Many are over-defined, poorly-defined (or both), and the sheer volume of them makes for an inefficient system. One example of how this process could be improved is exemplified by the New Deal for Disabled people programme, which some members felt was less defined in terms of process detail, yet was still clear about its objective. His gives the provider much more scope to deliver the objective in the most efficient way possible—something many other programmes signal fail to do.

20. There are therefore, in summary, ongoing issues surrounding:

   — the apparent lack of appreciation by JCP of the effect of their decision on provider business viability both in the short- and long-term, leading to damage to the training infrastructure and a restriction of clients choice;
   — the absence of joined-up thinking and planning between the funding agencies in many areas;
   — resultant inconsistencies and anomalies in resource allocation, especially when compared to policy priorities; and
   — a lack of engagement with the provider base that would help to properly ensure that what resources are available are optimally used.

C. THE CAPACITY AND ROLE OF PERSONAL ADVISERS/CONTACT CENTRES

21. On the whole, providers have found Personal Advisers (PAs) to be hard-working and professional to deal with. They are, however, being placed under increasing strain by the demands of Jobcentre Plus and indeed Government priorities, which seems to require them to be all things to all people. Given this it is perhaps unsurprising to see the turnover rate amongst this staff group, which leads to a decrease in the knowledge base amongst the frontline staff of the provision at their disposal—itself hampering the efficiency of delivery to clients.

22. Such individuals are a very special breed and it is understandable that then Secretary of State for Work and Pensions Alan Johnson in front of the Select Committee on 2 February 2005 was keen to differentiate the loss of jobs from “backroom” and “frontline” staff, though without really successfully defining what he meant by either. It would seem though that under any definition, PAs can be considered to be very much “frontline” and should therefore be last on the list for job losses.

23. This has not been the case however, and we are aware of instances where PAs have been made redundant despite the Government’s promises and policies. The suggestion has been made that these changes may well have been necessary to rectify poor management of provision and budgets in previous years rather than, as has been claimed, their being a reflection of a declining need amongst the client group. How can this latter be the case when official policy is to concentrate on the large numbers of Incapacity Benefit (IB) clients, who will themselves bring a range of new challenges and issues to bear on efforts by JCP and others to help them move back into the labour market?

24. It is also noticeable that at the appearance in front of the Select Committee by Leslie Strathie, Chief Executive of JCP, on 9 November 2005, that she was unable to give any accurate figure as to the caseloading of PAs, although anecdotally we are given to understand that many already find it too high. The only certain thing that can be said about this figure therefore is that given the rollout of Pathways to Work (PtW) and the increasing emphasis on the return of IB claimants to paid employment, whatever the caseload figure is will undoubtedly greatly increase.

25. In general, we feel that much more can be taken on by providers than JCP currently recognise. We have long argued that more of the initial assessment phase can be undertaken by providers. If more freedom were given to market provision openly and generate our own referrals, then, and to tailor provision according to client need rather than according to restrictions on eligibility, then more efficient delivery can be gained and administrative savings can be realised by Jobcentre Plus, even were there to be a reflection of these increased responsibilities in the payments to providers. It will also lighten the pressure on PAs, which may in turn perhaps enable them to better work with increased caseloads. At the very least, improvements can be made in the hand-off boundaries between PAs and providers to ensure clients receive a better experience—for example, in passing on details of their previous work history, education background or specific barriers to employment such as drug dependency, etc.
26. This comes down to a relationship of trust and engagement between JCP and its provider base, and also (and perhaps more crucially) the organisations that work within those organisations. This cannot be helped however by instances such as this report we received from one member, as follows:

“Bearing in mind the importance of close working relationships and effective communication between ourselves and JCP Advisers I was pleased to receive, several weeks ago, an updated list of Personal Advisers complete with individual telephone extension numbers from our District Office. This was followed within minutes by a second message instructing us to destroy this list as, under new JCP operating procedures, we were no longer allowed to contact PA’S direct—we had to ring the Contact Centre!”

27. Beyond noting this, and the fact that we do not feel that Contact Centres can ever properly deliver a service to an organisation whose central ethos must surely be face-to-face contact, we do not feel it appropriate to comment further on the performance of Contact Centres as these are largely client-facing entities, whereas our emphasis concentrates on provider perspectives.

28. In summary, we therefore feel that the major issues arising with regard to PAs are:

— Their caseload both now, and as a result of the planned rollout of PtW and the priorities being given to IB claimants, and its impact on PA effectiveness.

— Whether JCP locally and regionally are taking appropriate account of the Secretary of State’s expressed desire to avoid “frontline” job losses.

— The potential for providers to take on more of what is currently considered to be a PAs role, which would generate efficiency savings of its own both directly and via increased productivity and performance on the part of providers.

Paul Warner
16 December 2005

Memorandum submitted by PCS

SUMMARY

1. The Public and Commercial Services Union (PCS) is the largest trade union within both the civil service and the Department for Work and Pensions (DWP). PCS represents over 330,000 people including 90,000 staff working in the DWP.

2. PCS welcomes the select committee’s timely inquiry and is happy to supplement this written submission with further information and oral evidence.

3. PCS believes that one of the key issues facing Jobcentre Plus is the Department’s ability to keep its head above water, and it is currently struggling to do so. PCS is concerned that the implementation of the budgetary and staffing cuts announced as part of the Government’s efficiency drive are having a disastrous effect on both PCS members and customer services. PCS believes the Department is not in a position to manage these staffing reductions without seriously damaging its levels of performance and service delivery.

4. This submission covers the following issues:

— Employment and training programmes.

— The capacity and role of Personal Advisors.


— Contact Centres.

INTRODUCTION

5. PCS represents the majority of the Department of Work and Pensions staff.

6. PCS has engaged with DWP management on the Modernisation and Efficiency programme in the Department since its inception. We have offered our analysis, advice and have raised a series of issues relating to the cuts and their impact on jobs, operations, planning, terms and conditions and service delivery.

7. The development of the cuts programme in Jobcentre Plus is bound up with what is going on in the other Business Units. On 13 January 2005 PCS DWP Group Officers wrote to the Secretary of State and set out what had previously been stated in a meeting with him (see attached letter).

8. PCS stated that the jobs cuts programme was likely to have a negative and damaging impact on service delivery and we asked for a moratorium in order to allow a breathing space so that a solid platform for change might be established. PCS has stressed that we do not oppose change and accept that it can mean the restructuring of staffing levels but such processes must be properly planned and managed.
9. PCS believes it is crucial to offer customers a face-to-face service as part of the methods available to interact with the Department.

10. In terms of Jobcentre Plus, PCS has pointed out that Standard Operating Models (SOMs) are not in place for the major benefits including Income Support, Jobseekers Allowance and Incapacity Benefits. A SOM is a standard set of procedures and guidance for staff. A SOM was in place for the Social Fund but senior managers acknowledged that was an interim measure and a final model was far from ready. The piloted Social Fund Operating Model has since been found to be undeliverable and has to be revisited. Jobcentre Plus is currently near to finalising the new SOM.

11. Ministers and senior officials believe the scale of potential problems envisaged by PCS will not materialise. However, previous PCS problems were acknowledged when resources were reallocated (albeit from the existing departmental budgets) to prevent a spiralling and catastrophic collapse in the Child Support Agency.

12. PCS believes that pressing ahead with the job cuts in Jobcentre Plus on the basis of technology (that has been found to be unsatisfactory) and on the basis of incomplete and badly planned and configured SOMs has led the Business Unit into crisis.

13. PCS is concerned that the service delivery problems unfolding in Jobcentre Plus may be due to structural deficiencies in the programme itself: the use of centralised processes (based on Call and Contact Centres), electronic communications and a significant reduction in direct access provision. These methods can be insufficient to deliver services and provide adequate provision to deal with the needs of our customers.

14. PCS believes the implementation of the change programme is leading to an increase in the exclusion of vulnerable groups from accessing DWP services.

15. Staff morale has plummeted as a result of the deterioration in service delivery. This has been exacerbated by management’s attacks on terms and conditions that directly result from the cuts programme. For instance staffing shortages are leading to a reduction in or removal of flexible and part-time working for staff. The application of managing attendance procedures are widely seen as unreasonable, punitive and appear to be designed to drive people out of the Department. We believe these measures are resulting in loyal, experienced and skilled staff deciding to leave of their own volition.

EMPLOYMENT AND TRAINING PROGRAMMES

16. The New Deal has been a success in many respects but the efficiency savings programme has led to a reduction in the number of staff and resources dedicated to training provision. For instance contract teams (who monitor and negotiate contracts with external service providers) are being cut as part of the Jobcentre Plus Organisation Design Review. This is ongoing and entails matching the staffing levels to the money available. Management tiers at lower levels, even in the important areas such as contract management, are being reduced. This programme is rolling out with an end date of 2008, although some areas are introducing the 2008 design much earlier.

17. Budgetary problems have led to areas of the country being unable to afford or pay for training for customer groups eligible for the New Deal. For example this has affected training for young people and Lone Parents. Another example is in the Cumbria district as they were unable to refer anyone for training for four months from June 2005. This has led to one of the training providers having to lay off staff.

18. The cuts agenda has meant that services to customers have been reduced and management told PCS that these were political decisions based upon Ministerial priorities. One example is the Building on New Deal (BoND). BoND was intended to refine the provision available to customers and make it possible for Advisers to tailor training programmes for a specific customer. This was due to be rolled out in 2005 but was delayed, and has still not been delivered due to a lack of funding.

THE CAPACITY AND ROLE OF PERSONAL ADVISERS

19. The role of Personal Advisers remains to advise and support customers into work. As a result of the reductions in staffing, resources and the office closure programme, Advisers are being asked to do more, shorter, interviews (interview time has been reduced from 40 minutes to 30 or 20 minutes). This curtails and limits the time Advisers can spend identifying and addressing the barriers to work that customers may have.

20. Due to a lack of training and educational opportunities for customers to be referred to, Advisers have fewer options and less scope to help the customer tackle the obstacles preventing him/her finding work. Provisions are now limited or non-existent, this limits the options that Advisers can offer customers. Much of the training provision that is available is very basic and not helpful to customers. Yet there is still a target to place customers on courses meaning there is pressure to persuade them to sign up for a course that they may not have chosen.

21. There is no time available to Advisors for matching customers to vacancies.
22. The sheer volume of interviews that Advisors have to undertake means they are unable to spend as much time as they require working on their caseloads. In the case of Lone Parents this often means that they are seen at the initial interview and then offered no further support. Many Advisors have over 80 Lone Parents on their caseload but are frustrated at not being able to spend time helping them.

23. To address the Job Entry performance failings Advisers are told they must submit the customer to (at least) one vacancy per interview. This means customers are put under pressure to apply for inappropriate vacancies, which in turn damages both the customers’ and employers’ faith in Jobcentre Plus. This scattergun approach is based on the misguided assumption that the more vacancies we submit customers to the more likely it is that we will be lucky and place them. This type of management pressure has led many Advisers to seek transfers off the job that they love and in a few cases, to leave Jobcentre Plus. PCS is aware of Advisers with over 12 years experience resigning because they feel that they are being forced to deliver inadequate or inappropriate advice and support.

24. In rural areas Advisers are often situated miles away from customers as a result of the ongoing office closure programme. Customers in Kirkby Stephen in Cumbria who are making new claims have to make a 90 mile round trip to see an Adviser in their nearest local office in Carlisle. This situation will be aggravated when Jobcentre Plus reach the end of the rollout programme that proposes 577 sites closing by the end of 2008. In addition, PCS has discovered that there are proposals to close a further 124 offices, mainly in rural areas. We think this will lead to more customers being isolated and decrease the accessibility of service provision.

25. The Adviser Discretionary Fund is a budget that can only be used to help customers start work by, for example, giving them money to buy the first months travel pass, or to buy tools or clothing. The money available for this has been cut and awards are now subject to stricter conditions.

26. Call Centre problems are also impacting on Advisers ability to work effectively. Delays in interviews means that job entry opportunities (job entries are the numbers of people placed into work by Jobcentre Plus) are lost and matching customers and jobs is not happening. Advisers are also dealing with wrong or incomplete forms.

27. There is widespread anger amongst our membership about the introduction of the Red, Amber and Green (RAG) performance monitoring tools. The system is a target driven tool that categorises Advisers as exceeding, meeting or failing their targets. In many cases the ability to meet certain targets is within the control of an individual Adviser. RAG is designed to identify Advisers who perform unsatisfactorily. Advisers believe RAG is being used to blame them for failures inherent in the system and that it is punitive and unreasonable because the existing problems stem almost entirely from the Departments change programme rather than the shortcoming of individual staff members.

THE PERFORMANCE OF THE CUSTOMER MANAGEMENT SYSTEM

28. DWP has invested huge amounts of money and confidence in the Customer Management System (CMS) and is using IT as an explanation of how the Department can meet the Government’s efficiency savings and job cuts. PCS has consistently argued that cutting jobs and introducing untested technology at the same time is not a successful model and unfortunately this continues to be proved correct.

29. Our view is that CMS is unworkable due to a lack of resources, cuts in staff numbers and insufficient levels of training. CMS leads to delays in customer service (indeed some offices have returned to clerical processing to improve the service). This causes hardship to customers, increased customer frustration and does result in distressed customers visiting offices (sometimes miles away) in an attempt to sort out problems. Once customers attend offices their frustrations are exacerbated because there are not sufficient numbers of staff to help and customers are actively discouraged to interact on a face-to-face basis with the workforce.

30. The upgrading of CMS has incorporated many of the clerical procedures and means that the telephone call back to customers takes longer. In the majority of cases, (except easy and straightforward JSA cases) this is in excess of the 45 minutes Jobcentre Plus assumption (the 45 minutes assumption is the time calculated and provided as guidance for how long an interview should last and it has an impact on the staffing levels).

31. CMS has been introduced without sufficient risk assessment or survey. Analysis of how issues such as language, race, literacy and numeracy problems and the closures of offices in rural areas will damage customers and communities has been insufficient or non-existent. Prior to CMS, customers had a range of choices when accessing services. They could use the phone or attend their local office where forms could be collected, completed (or get help if they have literacy, physical or psychological problems or illnesses) and returned. Also local office staff would help a customer process the claim and issue payments.

32. There are serious concerns around accessibility especially for vulnerable groups. Vulnerable and marginalized customer groups (such as those with English as a second language, people with mental health problems, chaotic lifestyles etc) are increasingly disadvantaged because of CMS, as they have to spend much longer providing details. Calls needing the use of Language Line are on the increase and take a long time to complete. There is a high cost to the Department that could be abated by setting up a dedicated language centre. PCS have put proposals to the Department to utilise the Harrow Contact Centre for this purpose.
33. Welsh language speakers are also badly supported. It is necessary for Welsh speaking staff to translate the questions for the customer and then translate the reply to input to CMS. This inevitably means that the interview takes much longer and the customer is kept on the telephone for a long time. We have been told of calls that have lasted over two hours. PCS warned about this problem but we were told it would all work perfectly well.

34. The CMS system can have up to eleven different staff members involved in the processing of one case. This means there is a greater likelihood of inconvenience for the customer and an increased likelihood for error. Growing evidence and experience tends to confirm this view. PCS believe that rather than reducing workload, the system has had the opposite effect and has also increased the amount of time it takes for customers to receive payments.

THE PRINCIPLES BEHIND AND THE PERFORMANCE OF CONTACT CENTRES

35. Jobcentre Plus took the decision to move towards a Contact Centre based organisation as part of its drive to reduce the estate and staffing levels. A great deal of effort has been put into deterring customers from attending Local Service Outlets (LSO is the new name to describe Jobcentres and Social Security Offices), with local initiatives set up to reduce footfall. Footfall schemes involve training the customer to contact the Department via telephone rather than visit an office.

36. Problems associated with the Reducing Footfall Strategy include insufficiently resourced phone lines leading to high levels of unanswered calls. When frustrated customers come into offices they are told that the only way their query can be dealt with is by phone. Phones and computers have now been removed from some reception areas to physically prevent staff from answering queries.

37. Many offices refuse to let customers use the office warm phone to reach the Contact Centre. Warm phones are telephones in LSOs that are designated for use by customers to call employers as part of the job searching process. The warm phones can also be used to contact other parts of the Business Unit. Staff are told to inform customers that they have to ring from elsewhere, even suggesting public call boxes. One reason for this is the lack of staff available to deal with the normal number of customers. A quote from a departmental management letter dated 5 December 2005 states:

“It is a fact that LSO resources are reducing, particularly in the area of reception, as the Department requires us to work towards the 2008 vision. Those resources will not allow us to deal with the current volume of customers coming into LSOs, and consequently the service provided cannot be as it is now. Management are trying to work with staff to address the pressures they will be under in the forthcoming year if foot traffic is not reduced.”

38. Customers are not allowed to use the warm phones in offices because of the increased risk of violence towards staff as customers are kept hanging on or given bad news. This is also part of training the customer to avoid coming into an office (ie if customers do not have a helpful experience in an office, they are unlikely to repeat the same course of action next time they require help).

39. The process involves a customer telephoning the Contact Centre to registers a claim. They are then given an appointment for a call back. The target for the call back is within 24 hours. Then the customer should be given an appointment for a face-to-face interview at the Local Service Outlet within four days of the initial call.

40. In practice, customers have been unable to get through to the contact centre or when they have been connected, they have to wait for upwards of five minutes before the call is picked up. Because the telephone number for Jobcentre Plus is a 0845 number, our customers incur hefty charges, particularly when calling from a mobile telephone. We also suspect that the contractor may make a profit from longer call waiting times.

41. We have had complaints from customers who have been disadvantaged by the system. One example is a 19-year-old profoundly deaf customer who was told that the only way he could make a claim to benefit was by telephone. After a very distressing time trying to explain that he could not use the telephone due to his disability he went home and his mother had to call on his behalf.

42. CMS3 addressed some of the problems that were inherent in previous versions, but has added to the questions that have to be asked of the customer. This means that the majority of call backs to customers now exceed the average time assumption of 45 minutes.

43. Performance has been improving since the early part of the year when the worst figures showed only 8% of calls being taken. The improvement has been brought about by reverting to clerical procedures in some of the Contact Centres and Local Service Outlets, and by moving work around.

44. The result of these emergency measures is the appearance that Contact Centre are performing well. However, the staffing levels in most Contact Centres is unlikely to increased and at the same time the number of Local Service Outlets that will be serviced by the Contact Centres continues to increase. We predict that this will mean performance will dip again.
45. Using Pembroke Dock as an example, performance has improved from 50% answered calls to over 90%, with call back and interview targets also being met. This has been achieved by removing the Jobseeker Direct work from Pembroke Dock, thus freeing up 40 staff. The staffing at this office is unlikely to rise, but it will take on responsibility for customers from the geographical area covered by a further 12 Local Service Outlets.

46. The Contact Centre performance figures for October show that the national total of calls answered was 88.3%, against a target of 90%. This is a huge improvement on the early part of the year, but has been achieved by abandoning the CMS process in many areas and reverting to clerical work and transferring some of the Jobseeker Direct job finding functions to Employer Direct sites. This means that the problems are not properly addressed; they are merely being moved to elsewhere. This is contingency and crisis management and not a long-term or adequate solution.

47. Contact Centres show that the projected number of Job Entries (job entries are the numbers of people placed into work as a result of Jobcentre interventions) they expect to achieve per Whole Time Equivalent (WTE are full time members of staff) is 152 against a target of 190. This can be attributed to the instruction that has gone out in many Contact Centres that staff must not undertake a job search, even if a customer asks for one.

48. Staff have been instructed to advise the customer to ring the direct line number (another 0845 number) for Jobseeker Direct. This directly contradicts the longstanding directive from Jobcentre Plus Departmental management that every contact with a customer must be job orientated. The logical outcome of these panic measures will be that Jobcentre Plus will become more and more dissociated from placing customers into work.

49. Jobcentre Plus has numerical targets for customer service and service delivery. These are measured on a simple numerical basis. Because of the obsessive target based culture in Jobcentre Plus, managers and staff are pressured into meeting the targets, often at the expense of customer service.

50. PCS has been made aware of Contact Centre staff answering a call and then advising customers to ring back later, or the next day, because the average call time in that centre was above the target. Staff are pressured into keeping customers on the telephone in order to meet the target for the correct call shape (ie the ratio of call time to after call work).

51. PCS believes that achieving targets does not necessarily equate to good customer service. Even if telephone call answer rates are on target, they may not always produce the best or most appropriate result for the customer. This culture was demonstrated recently in Employer Direct where a selection process of quality mark may not always produce the best or most appropriate result for the customer. This culture was demonstrated recently in Employer Direct where a selection process of telephone call answer rates are on target, they may not always produce the best or most appropriate result.

52. PCS believes that the reduction in service levels will lead to an increase in the number of assaults as customers become more frustrated with the telephone only based system.

53. Although this submission focuses mainly on the mainstream Jobcentre Plus work, there are other aspects of the Business that are affected by the re-organisation and CMS.

54. Our members have to deal with the results of the organisational and IT failings when customers attend the LSO after trying, unsuccessfully, to resolve their query by telephone. This has led to a massive increase in stress on our members who are often subject to verbal and physical assault as a result.

55. One of the more disturbing areas is the Crisis Loan part of the Social Fund. PCS has been copied into reports from staff working on these teams. Reports show that between 50% and 80% of customers who ring to apply for a Crisis Loan cannot be given an appointment due to a lack of staff. The very nature of this part of the Business means that these people are the most vulnerable of our customers. The fact that they are not able to get an appointment is a disgrace that can have tragic consequences. These figures are not recorded officially as they are not put on the system.

56. The amount of money lost as a result of internal error has increased from 3% to 4%. In itself it does not sound like large sums of money but it represents an increase of 33% on the previous years figures. Our evidence is that this is directly attributable to the increased pressure that is being put on staff by the computer system and shortage of staff. (Attached figures to Early 2005)

57. PCS believes that the reduction in service levels will lead to an increase in the number of assaults as customers become more frustrated with the telephone only based system.

58. There are already official documents that look at the privatisation of core functions of Jobcentre Plus. This includes the extension of the Private Sector Led (PSL) Districts to undertake all Advisory functions. One of these documents refers to a TUPE transfer of 2,245 Advisers and their managers to the private sector. PCS believes this to be a cynical method of meeting the staffing reduction targets without making staff...
CONCLUSION

59. The DWP website states that Jobcentre Plus:

“Provides an integrated service to people of working age. It offers help to people looking to move into work and support for people who can’t. Jobcentre Plus also provides a range of services to help employers fill their vacancies quickly.”

60. This contradicts evidence we have received from PCS representatives throughout the United Kingdom who have been informing us that there are service delay problems throughout the country and that the above objectives are not being met. Members in Colne state the claims gathering process (which involves gathering information, forms and evidence) on the new claim management system have caused an astonishing amount of time-wasting and additional paperwork. Levels of complaints are also increasing.

61. You will see from attached letter to Alan Johnson that PCS does not oppose change but wants a properly staffed, efficiently managed Department that can deliver its services to the neediest in society.

62. We are currently running a campaign on Jobs, Services and Rights and the key aims include:

— A moratorium on job cuts (there have been 15,000 to date and DWP intend to cut a further 15,000 by April 2008) so that a review might be carried out on how to deliver the programme without the type of service delivery failure currently afflicting the Department.

— Agreement on a Staffing Basis/Complementing Scheme to ascertain proper staffing levels.

— Additional staffing to be deployed where and when required, on the basis of operational need.

— An end to the recruitment of casual staff and the use of overtime designed to mask the need for permanent vacancies.

— Removal of failing IT systems and full consultation over future IT systems.

— Free access to all DWP services and an end to strategies designed to reduce access like the so-called “reducing footfall” scheme.

— An end to the target culture.

63. PCS is committed to working constructively with all interested parties to overcome the problems and challenges facing our members and the services they provide to the public.

Sarah Kavanagh
16 December 2005

Memorandum submitted by PCS: copy of a letter from PCS to Alan Johnson, January 2005

You will recall PCS recently raised with you our view that the job cuts programme currently taking place in DWP is likely to have a negative and damaging impact on service delivery and that we asked you to consider a moratorium on that process.

The points we made to you can be summarised as follows.

The DWP is the largest Department in the Civil Service delivering a number of vital services to the public. The current Departmental strategy is essentially to use the introduction of new technology and operating models, largely based on call centres, centralised processing and electronic communication to provide services. It is argued that since “billions” have been invested in new technology then the payback is reductions in staff and estate.

PCS understands the theory but believes it bears no relationship to the reality that our members deal with on a day to day basis. The technology and operating systems are either not in place or there are substantial worries about their effectiveness and ability to deliver. For example, in CSA job cuts are predicated on levels of IT effectiveness that do not exist and are not likely to exist for some considerable time. Currently it takes five times longer to do an assessment by computer than on paper. If cuts go ahead then it is possible the system will “implode”.

In Pensions the plan is to cut capacity by half in two years. There are no detailed plans in terms of a Standard Operating Model, the technology is untried and untested and major service delivery problems lie ahead.
In Jobcentre Plus Standard Operating Models are not in place for the major benefits, Income Support, Jobseekers Allowance and Incapacity Benefit, and are not likely to be for some time. While an Operating Model does exist for Social Fund, senior management acknowledge it is an interim measure and that a definitive product is far from ready.

The controversy around CSA and the record of major IT failures in DWP reinforce our view that to press ahead with these cuts, with untried and untested technology and operating processes represent a major and unjustifiable gamble. Last year the DWP spent £140 million of taxpayers money on private sector IT “consultants” because, along with other Government Departments, it has run down internal expertise and all but abandoned investment in and long-term IT skills for in-house staff.

PCS is deeply concerned the Department is overselling its capacity to deliver.

As a minimum we fear that to press ahead with cuts in staff will mean major service delivery problems affecting millions over an extended period, and, at worst, a catastrophic failure of systems entailing a breakdown in service delivery taking years to bring under control, let alone rectify. While the latter may be less likely, the former is highly likely and senior managers do not reject these views.

The DWP “Vision” sees the Department delivering a wide range of services for all. The proposed cuts will destroy that vision. Political decisions will need to be made as to what services can or cannot be delivered.

A relatively small scale increase in service users, for example due to a rise in unemployment levels, would put enormous strain on DWP’s ability to deliver services.

PCS does not oppose change and actually agrees with elements of the DWP programme. We also accept that change can mean the restructuring of staffing levels but we want to see any such process properly planned and managed. The programme must not be implemented in an atmosphere of crisis management or driven by short term expediency with headcount cuts the key objective.

A breathing space is needed—a moratorium should be put in place now so that a solid platform for change is established. PCS will work with DWP management to that end. We believe this is a reasonable and constructive request that demonstrates a PCS commitment to both protecting our members interests and working with DWP to build operations that are capable of delivering the vital services the public require and that we can all be proud of.

PCS is very keen to work with DWP to deal with these matters. However we will not stand aside as services are undermined and productive and necessary jobs are lost.

Keith Wylie
16 December 2005

PCS Supplementary evidence

23 JANUARY 2006

1. PCS made a formal submission on 16 December to the Select Committee. Since that point a number of meetings between the union and DWP management have taken place in an attempt to find a settlement to the dispute over the efficiency savings.

2. PCS announced on 6 January that its members in DWP had voted three to two in favour of strike action and four to one in favour of additional action short of strike action.

3. Much of the negotiations between PCS and DWP has focused on our contention that service delivery in Jobcentre Plus is suffering because of the job cuts. Management do not accept this and have written to PCS stating that they “see no evidence of a crisis”.

4. PCS have (since our last submission to the Committee) requested information from local representatives to provide examples of problems in the Department. This submission includes some examples provided in December 2005 and January 2006 of difficulties facing Jobcentre Plus that are relevant to the current Select Committee inquiry.

DELAYS AND BACKLOGS—SERVICE DELIVERY PROBLEMS

5. “I work in an inner city JobcentrePlus office, and am currently booking work-focussed interviews for customers who are eight weeks into an incapacity benefit/income support claim. I am finding that, due to shortages at the centralised processing office, about a third of them have not been paid after eight weeks. This is not uncommon across other benefits in this area, and is having a knock-on effect, in that we regularly have nearly 700 customers a day attending the office, many of whom are making enquiries about their benefits, and leads to frustration when we have to get them to telephone to enquire. We always have queues for the phones in the office, which makes the entrance very busy and leads to stress and abuse for the floor walkers. I am unaware of any activities being taken by the management team to resolve these issues.” PCS Member.
6. There is currently a two week delay between a call back and a work focused interview in Liverpool.

7. The Glasgow Benefit Processing Centre will start to move work from local offices between March 2006 and March 2007. The staffing levels within this processing centre will be in the region of 275 less than currently process benefit claims. At the moment benefit claimants are experiencing delays of upwards of eight weeks for benefits.

8. Plymouth deals with claims from customers in Devon. There are currently 2,800 claims awaiting processing. At the start of December staff were told to tell customers that they would not receive payments before Christmas.

9. Fulham Jobcentre have designed a pro-forma to replace the clerical decision notation. The pro-forma is not standardised and therefore not used in other jobcentres but helps to make the processing faster.

10. On 19 December the earliest date for an interview in Cornwall was 7 January 2006.

11. In Halifax as of 6 January restart interviews are being booked for four to give weeks in advance.

12. In Sheffield there are over 500 Job Seekers Allowance (JSA) claims waiting to be processed. There are still problems with customers trying to get through on benefit enquiry lines. The CMS computer system is still suspended in Sheffield and emergency provision is in place for JSA.

13. Bridgewater Jobcentre at the start of January were receiving enquiries about claims made at the end of November 2005 that have still not been paid. Customers are having to wait up to 45 minutes to get through to the telephone section. Customers who normally come in to collect their payments at a set time are having to come in and phone Exeter. Exeter then agree to phone them back within two hours and then they have to come back again later for payment.

14. In West London last week there were 282 Social Fund Crisis Loan decisions still outstanding. These are urgent and should be cleared on day of receipt.

15. In Norfolk and Suffolk in December processing of claims was four to eight weeks delayed.

16. In Makerfield, staff on new claims have been told not to question any verification provided by the jobcentre (eg If a customer has worked for the same employer for 15 years and is made redundant and the jobcentre state that he has no redundancy pay/holiday pay/pay in lieu of notice etc).

17. All lone parents claiming Income Support who have a youngest child aged under 16 years old are required to take part in a Work Focused Interview (WFI). Staff have been allowed to conduct telephone rather than face to face WFIs until March 2006 in order to clear the exceptional backlog of cases involving lone parents in East of England, London, North West, Scotland, South East, West Midlands and Yorkshire and the Humber. Up to 155,000 lone parents have been identified on the backlog scans highlighting the conflict between demand and capacity.

18. By mid December Stevenage was booking appointments for January.

19. In Exeter in December there was a backlog of 724 Incapacity Benefit claims, Income Support claims were at 703 and for Job Seekers Allowance claims the backlog was 1,416. Staff were still processing claims received in mid November.

20. On Wednesday 16 January Middlesbrough Contact Centre reverted to clerical procedures. This is due to the failure of the CMS.

21. In Glasgow there are nine weeks worth of Incapacity Benefit referrals that require referral to medical evaluation outstanding. Only 80% of claims for benefit are cleared within six weeks. Therefore one in five are taking longer to clear. Only 60% of people are paid the right amount of money at anytime. Over 20% of cases are not fixed after errors are first highlighted. Over 27% of Incapacity Benefit cases are dealt with inaccurately. Over 19% of Income Support claims are dealt with inaccurately. The department are also failing to fill job vacancies by between 20% to 67%, depending on customer group and benefit. Only 67% of interviews are booked within six days. The latest figures showed 831 people had still to receive an interview.

22. “It is increasingly difficult for benefit sections to work out what stage a customer’s form is at and they now have the added problem of trying to work out where that claim is, and who is dealing with it. This situation is getting worse because of the backlogs.”  PCS member

23. Bridgend Contact Centre are accepting clerical claim forms. They have to accept clerical claim forms because some customers cannot be registered on the computer system.

24. Swindon’s go-live date for CMS has been delayed until 1 February, representing a three week slippage.

25. “I work on Bereavement Benefits and have been talking to a customer who has recently been bereaved and is obviously distressed. This lady has also just come out of hospital herself and I was concerned that she should also claim Incapacity Benefit and Income Support (so when bereavement allowance ends in 52 weeks she could qualify for either of these benefits—at the higher rates), and even DLA. The customer did not feel up to completing any more claim forms and was reluctant to bother her relatives or friends any further, so
I tried to refer the case to the relevant visiting section. The reply was that the customer must apply via the Call Centre because visiting section had no criteria under which to visit. Is this now what we call providing a good customer service?” PCS Member

26. An office in Coatbridge in Lanarkshire (where as many as 10,000 people are claiming benefits) will be closed on 27 January and will mean people looking for jobs will have to travel up to five miles to neighbouring Airdrie or Bellshill. The Jobcentre will be turned into a benefit processing centre. No public services will be offered and all jobs hunting activity will be done at centres in neighbouring towns. In Lanarkshire there is a depressed economy and an unemployment problem. Coatbridge is the first of six towns in Lanarkshire which will lose their local centre.

27. Many London claimants have to access the system via centres outside London. Jobcentre Plus London has very little control over service delivery in the call centres and some of the benefit centres outside London. When problems occur at these centres, either through insufficient staff numbers, problems with telephony or IT, London cannot intervene to correct or “ease” these problems, as they are not managed within London. As a consequence, London claimants are at the mercy of operations in other parts of the country. This can and does result in delays to benefit payments. It also has a massive impact upon staff that are left to take the blame from claimants for issues that are out of their control. This is partly due to insufficient staffing levels in contact centres and partly due to ongoing IT problems. JCP are failing to meet the target for processing claims within set targets. This is resulting in people waiting up to five or six weeks to receive their first benefit payment and increasing numbers are applying for Crisis Loans and Social Fund Loans.

28. The number of “live” claims in London is as follows, Incapacity Benefit 321,758, Income Support 371,769, Income Support Lone Parents 160,201, JSA 165,067. Total 858,594

29. London has experienced a cut in training provision for the unemployed. The programmes budget for New Deal was issued in June. The budget for Work Based Learning for Adults was not issued until mid July. It was recognised early in 2005–06 that there would be an overspend on the Programmes budget in London due to the number of unemployed claimants eligible for New Deal and Work Based Learning. The New Deal budget had a 41% reduction with no reduction in expected claimant volumes. By the time the Work Based Learning budget was received London was already heading for an overspend as the budget had already been spent in the first six months. As a result some training providers have had their contracts terminated. Margaret Hodge instructed JCP London to reinstate some courses. As a result London is set to overspend on this year’s training programmes budget by £13 million. We are not yet clear what the effect of this will be upon future training provision in London.

30. London accounts for nearly 50% of all NINO applications nationally (approximately 30,000 annually). A significant proportion of these are generated from businesses around Canary Warf and the City. Plans for the centralisation of this service resulted in a contact centre being set up in Kennington Park, whereby overseas workers would call to make an appointment for an interview at one of the four London offices that conducts the interviews. The actual processing of the number takes place in Glasgow. It is now being proposed to close the Kennington Park contact centre this year and relocate this work to Grimsby. It is envisaged that the Grimsby contact centre will eventually have 83 operators to handle the calls from London NINO applicants. We are concerned that no thought has been given to the future requirements for NINO applications for London

31. Services to homeless people are provided through the Southwark Homeless unit and through the London Homeless Service Team (LHST) who conduct outreach surgeries in around 60 locations across London, mainly where homeless people congregate. It is planned to close the Homeless Unit in two years time. Alternative premises are being sought. There are also plans to cut the number of staff working in the unit from 38 to 22. This will involve withdrawing from a number of outreach sites and changing the Employment Advisers roles. In the main the staff are being instructed to just concentrate on finding homeless people work rather than also dealing with benefit and other problems.

**Staffing Shortages**

32. “Overtime has become increasingly available, but with no further permanent staffing resources, it is merely delaying what will be shown to be an even greater crisis than is already apparent.” PCS Member

33. “Hi I am not a member but would like to say that I back your strike at the job centres, I am a carer and therefore a user of the DWP. I feel the staff are at present not coping with the demands placed on them. If I need to contact my DWP office via the phone it can sometimes take days of continual redialling, a situation that is just not good enough. When you get though the staff try their best to help.” Text of a letter from a customer to PCS

34. On 9 January it was reported that Pembroke Dock Contract Centre has worked 40 of the last 52 Saturdays as overtime to try and keep up with the call backs and keep them within the Standard Operating Model.

35. Middlesbrough Contract Centre has been operating a full overtime system since 3 January. This means staff are able to work overtime before starting work in the morning and after work in the evening (a possible working day of 8 am to 8 pm). Also they are allowing overtime from 9 am to 5 pm every Saturday in January.
36. Overtime is being offered at Hounslow Jobcentre to try and deal with New Claims appointments so that they meet the four day target.

37. Staff have been told that for certain weeks during the holiday periods they need to give their reasons for wanting leave or any other absences and that even having booked holidays will not be accepted as a reason to allow time off.

38. At Middlesbrough Contact Centre when the number of dropped calls begins to rise, staff are moved from Outbound to Inbound calls and then the clerical contingency is used for outstanding Outbound calls. They are also seeing an increase in the number of requests for emergency and interim payments.

39. In West Sussex November 2005 they had 30 temporary staff (six AAs; 24 AO’s) doing a variety of jobs across Jobcentres. This District has earmarked £250k for these staff and employment is likely to run through to March 2006. At the same time the District had consumed a further £250k on overtime.

40. In Glasgow, temporary staff are being recruited despite headcount plans to reduce staffing levels from 3,000 to 2,008.

**STANDARD OPERATING MODEL (SOM)**

41. At a meeting with management on 17 January, PCS were advised that the Standard Operating Model (SOM) for new and repeat claims to benefit was being revised. The revision was based on assessment of the Contact Centre performance and the pilot of the Financial Adviser (FA) pilot in Cheshire. PCS were told that there were still many calls being abandoned but that the figures showed that the number of inappropriate calls were not reducing. Management also acknowledged that operational FA’s had been massively underwritten with staffing resource from other parts of the offices and that the FA job had to be adjusted.

42. The proposals are to pilot a new way of end-to-end working using an initial 0800 contact number which will give customers the opportunity to select the correct service from a menu and they will then be forwarded to the appropriate section. The next stage of the process will change in that the Inbound and Outbound call will be combined so that there is no need for a callback appointment to be made.

43. If a Work Focused Interview (WFI) is necessary then an appointment will be made with the Adviser in the Local Service Outlet (LSO). Jobcentre Plus Management have previously stated that a lot of the problems have been caused by staff being reluctant to change. We believe that the need to revisit the job design of the FA role and the first contact process confirms our contention that the problem lies with the system rather than staff. In particular the fact that there is resource being ploughed into supporting the FA part of the process proves that the initial assumptions were incorrect and that the claims process was not sustainable in the longer term. This was a clear statement at the meeting on 17 January.

44. Management’s proposed solution at the moment appears to be to take part of the work away from the FA and put it into the Benefit Delivery Centre. We believe that this is merely going to transfer the problem rather than solve it, as staffing allowances were predicated on the initial job design. Just moving part of the work without moving resource cannot deliver the required level of service.

**MYSTERY SHOPPING**

45. In an Eastern Region Jobcentre a “mystery shopper” call was handled correctly by switchboard. The shopper was given the benefit enquiry number but the shopper was unable to get through for the maximum six attempts over a two day period.

46. A mystery shopper telephoned a local office in Scotland and was correctly advised to contact the appropriate contact centre with regard to their query. When the score for the office was received it was discovered that because the contact centre had subsequently given the mystery shopper incorrect advice, the local office had been deducted points. This was checked and staff were advised that this is the correct procedure.

**MANAGING ATTENDANCE**

47. The attendance management policy means staff feel as though they have to attend work even when sick. This stems from the policy on attendance management. If staff take more than eight days leave, this is a trigger point and staff are issued with a warning often regardless of circumstances.

48. In Clydeside and Argyll no discretion seems to be applied with the eight day warnings.

49. In Fife Jobcentre the number of staff now being dismissed is significant and the PCS branch has submitted two Employment Tribunal claims.

50. In Lanarkshire, the number of staff on oral warnings increased from nine to 92.
MISMANAGEMENT

51. Senior management have toured the Glasgow offices in an effort to appease staff and allay fears. Management are unsure of the exact staffing levels required in the Benefit Processing Centres. In Scotland management have stated that there is no money available for training, and consequently staff would be located based on existing work experience; it is not a Preference Exercise. Those staff deemed to be surplus in the Migration process would be placed in a Selection Pool. This directly contradicted what had previously been mooted, namely that, on the grounds of fairness and reasonableness, staff would have to bid for their own post if they wanted to stay in Social Fund, for example, to give everyone an equal chance. Management were unable to provide PCS members with any information to show how the Governments’ overall job reductions were to be attained after the Migration plan has been concluded in December 2006. Efficiencies through centralisation were mentioned but again no actual statistical evidence was forthcoming. Members were assured that, as far as benefit processing staff were concerned; only FA and FAM positions would remain in local offices. This contradicts what staff in Partick and Anniesland offices have been told. Local management has told PCS that there will be more jobs than there currently are staff in the district. However they cannot provide any empirical evidence or give any assurances to staff.

52. The Red Amber Green tool (RAG) for personal advisors has been used as a threat and has also resulted in staff with no previous problems with performance suddenly getting marked Red.

VIOLENCE

53. In Somerset a violent incident arose on 17 December, when a limited service was being provided on a Saturday with inadequate security cover and inoperative CCTV. A customer wanted a Social Fund Crisis Loan, but this service was not available on Saturday, and the result was that one of the Group 4 security officers was punched in the head and had to take sick leave as a result.

CONSULTATION

54. Across the Glasgow area the department’s plans will see the closure of eight local offices. All benefit processing will be undertaken at one Benefit Processing Centre in the city centre. That office will have no face-to-face contact with the public. Instead benefit customers will have to interact with the department by telephone. Management should advise customers, customer interest groups, MPs and Local Authorities of these plans. They are also required to negotiate with the constituted trade unions over the various issues brought about by these changes. To date management have done none of these things. In fact, management themselves have told PCS they don’t really know what will happen to staff, and they see no point in carrying out risk assessments on how this change of benefit processing will affect staff or customers alike.

RESULTS OF THE STAFF SURVEY

We would like to draw the following extracts to your attention.

**The numbering of questions below does not correspond with the paragraphs. It is the numbering of the questions from the survey.

14. DWP STAFF SURVEY—JOBCENTRE PLUS FINDINGS

Section 4

<table>
<thead>
<tr>
<th></th>
<th>% Very dissatisfied</th>
<th>% Dissatisfied</th>
<th>% Neither</th>
<th>% Satisfied</th>
<th>% Very satisfied</th>
<th>% Favourable</th>
</tr>
</thead>
</table>
| 7. Considering everything about your present job, how satisfied are you with it?
| JCP 2005       | 17                  | 25            | 22        | 32          | 5              | 37%         |
| JCP 2004       | 14                  | 24            | 22        | 35          | 6              | 41%         |
| DWP 2005       | 15                  | 24            | 22        | 34          | 6              | 40%         |

Only 37% are satisfied with their job.

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<tr>
<th></th>
<th>% strongly disagree</th>
<th>% Disagree</th>
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<th>% Strongly agree</th>
<th>% Favourable</th>
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9b I obtain relevant learning before any changes take place which affect my job

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<th>JCP 2005</th>
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Only 27% thought they obtained relevant learning before any changes took place which affect their job.

9f My career development needs are being met

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Only 18% thought career development needs are being met.

9h I am able to access the learning and development opportunities I require, when I need them

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Only 31% felt able to access learning and development opportunities when needed.

9j I am given a real opportunity to improve my skills in this organisation

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Only 18% felt they were given a real opportunity to improve skills in DWP.

11b DWP does a good job of keeping me informed about matters affecting me

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Only 26% felt DWP does a good job of keeping them informed of matters affecting them.

11di) I am given sufficient information regarding changes that are going to be made within my part of DWP

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<td>22</td>
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</table>

Only 27% felt given sufficient information regarding changes that will be made in my part of DWP.

11g I have the opportunity to contribute my views before changes are made which affect my job

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<td>DWP</td>
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Only 16% felt they have the opportunity to contribute views before changes are made which affect their job.
13a The promotion systems used within my part of this organisation operate fairly

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<td>12%</td>
<td>14%</td>
<td>13%</td>
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Only 13% thought the promotion systems operate fairly.

13b Level (non-promotion) transfers are organised fairly within my part of this organisation

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<th>JCP 2005</th>
<th>JCP 2004</th>
<th>DWP 2005</th>
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<td>14%</td>
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</table>

Only 12% thought level transfers are organised fairly within their part of the organisation.

24 Over the last three months, how many hours per week (on average) have you worked over your contracted hours?

( the percentage favourable score shown represents the proportion of people who indicated less than three hours)

<table>
<thead>
<tr>
<th></th>
<th>% more than 15 hours</th>
<th>% 12–15 hours</th>
<th>% 9–12 hours</th>
<th>% 6–9 hours</th>
<th>% 3–6 hours</th>
<th>% less than 3 hours</th>
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<td>DWP 2005</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>12</td>
<td>28</td>
<td>42</td>
</tr>
</tbody>
</table>

Nearly 60% of those surveyed are doing more than 3 hours overtime per week and almost 20% are doing more than nine hours per week.

28bii In my experience, the following grades within my part of DWP provide effective leadership : Grades 6 & 7 (Bands G & F)

<table>
<thead>
<tr>
<th></th>
<th>% strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
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</thead>
<tbody>
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<td>JCP 2005</td>
<td>17</td>
<td>23</td>
<td>40</td>
<td>17</td>
<td>3</td>
<td>20%</td>
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<tr>
<td>JCP 2004</td>
<td>15</td>
<td>21</td>
<td>40</td>
<td>20</td>
<td>3</td>
<td>23%</td>
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<tr>
<td>DWP 2005</td>
<td>15</td>
<td>21</td>
<td>40</td>
<td>20</td>
<td>3</td>
<td>23%</td>
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</table>

Only 20% felt Grades 6 & 7 provide effective leadership.

28biii In my experience, the following grades within my part of DWP provide effective leadership : Senior Civil Service

<table>
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<tr>
<th></th>
<th>% strongly disagree</th>
<th>% Disagree</th>
<th>% Neither</th>
<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
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<td>23</td>
<td>26</td>
<td>44</td>
<td>7</td>
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<td>8%</td>
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<td>JCP 2004</td>
<td>20</td>
<td>24</td>
<td>45</td>
<td>10</td>
<td>1</td>
<td>11%</td>
</tr>
<tr>
<td>DWP 2005</td>
<td>16</td>
<td>26</td>
<td>31</td>
<td>24</td>
<td>3</td>
<td>27%</td>
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</table>

Only 8% felt the Senior Civil Service provide effective leadership.

28c My part of DWP manages change effectively

<table>
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<tr>
<th></th>
<th>% strongly disagree</th>
<th>% Disagree</th>
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<th>% Agree</th>
<th>% Strongly agree</th>
<th>% Favourable</th>
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<td>16</td>
<td>26</td>
<td>31</td>
<td>24</td>
<td>3</td>
<td>27%</td>
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</table>

Only 23% felt DWP manages change effectively.
28d *DWP as a whole is well managed.*

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<th>JCP 2005</th>
<th>JCP 2004</th>
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<td>1</td>
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<td>2</td>
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<tr>
<td></td>
<td>9%</td>
<td>11%</td>
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</table>

Only 9% think DWP as a whole was well managed.

28e *Overall I have confidence in the senior managers (Senior Civil Service) within DWP*

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<th>JCP 2004</th>
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<td>7</td>
<td>15</td>
<td>9</td>
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<tr>
<td></td>
<td>7%</td>
<td>17%</td>
<td>10%</td>
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Only 7% have overall confidence in senior managers within DWP.

29e *I feel valued by my part of this organisation*

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<th>JCP 2005</th>
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Only 17% feel valued by their part of the organisation.

31d *I am proud to work for DWP*

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31e *I am proud to work for my part of DWP*

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31f *My part of DWP does an important job*

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<td>55</td>
<td>82%</td>
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<td>78%</td>
<td>79%</td>
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Although 78% felt their part of DWP does an important job, only 22% felt proud to work for DWP and only 33% felt proud of their part of DWP.

32 *Considering everything, how would you rate your overall satisfaction with DWP at the present time*

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<td>2</td>
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<tr>
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<td>18%</td>
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<td>23%</td>
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Only 18% were overall satisfied with DWP at the present time.
Memorandum following PCS oral evidence

FEBRUARY 2006

1. During the oral evidence session at Q97, John Penrose asked more details about the 2/3 data push statistics: "I wonder if we could get more details submitted in writing perhaps giving a breakdown between places running CMS2 and CMS3 to see if there is a difference in performance"

In response, it is not possible to give comparative stats for CMS2 and CMS3 as the two do not run concurrently. CMS2 was rolled out into various contact centres and offices and was then upgraded by CMS3. Those offices that had not been converted to CMS remained on the old computer system Vantive. As they are “retrofitted” they will move onto CMS3. We have attached some CMS statistics from this month which may be of interest to the committee.

2. The emergence in the press of a DWP document detailing the requirements and procedures for use in considering offshoring proposals drew an angry response from PCS members.

The document states that: “In line with the continuing need for government departments to reduce costs, proposals are being made by service providers to undertake work for or on behalf of the department overseas. This could involve the transfer of part or even all functions of a DWP area of business that would have previously been located in the UK, to a centre located outside of the UK.”

The union is now urgently seeking clarification on what proposals have been made, who the service providers are, how far advanced the proposals are and what areas of work may be effected.

Questions need to be answered by the department about just what proposals are on the table, which private sector companies are involved and how far advanced any plans are. PCS want the government to categorically rule out any future offshoring of public services.

OFF-SHORING OF DWP WORK

You will have seen the press coverage today of the apparent plans within DWP to offshore DWP work. Clearly our members are deeply concerned that the work they currently do, or the work they may be doing in the future, may be done by private sector organisations abroad.

The information we have reveals that “In line with the continuing need for Government Departments to reduce costs, proposals are being made by service providers (SP) to undertake work for or on behalf of the department overseas.” It was unclear which service providers the document refers to and we would welcome clarification of this description. Equally it is unclear what “work” is being referred to and again we would welcome clarification of what is being described in this reference.

We are aware that during an interview on Radio 4 this morning you were, helpfully, able to state that “We have not moved any of the department’s jobs offshore and we have absolutely no intentions of doing so.” Clearly we would like to be in a position to reassure our members as fully as possible and we would very much welcome your official confirmation that there are no plans, whatsoever, to offshore any DWP work in the future.

Obviously we would wish to circulate your response to our members to provide them with this reassurance and so look forward to an early response. As this is a major issue for our members we would expect full meaningful consultation on the issue of off-shoring, on any current or future plans and on any measures being considered which may include off-shoring.

If you feel it would be of benefit we would be more than happy to meet to discuss this issue or the cascading of your reassurance.

Keith Wylie
Group Secretary
Customer Management System
CMS2 - Transfers

Week Commencing: 04/02/2006

NATIONAL

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Customer Management System

CMS2 - Transfer Time

Week Commencing: 04/02/2006

NATIONAL

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Customer Management System

CMS2 - Scheduled Callbacks Missed

Week Commencing: 04/02/2006

NATIONAL

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Memorandum submitted by ERSA/ACEVO

1. ABOUT ERSA AND ACEVO

1.1 The Employment Related Services Association (ERSA) is the new representative body for providers of publicly funded employment programmes. It has been established to raise the profile of the provider network with interested parties, and constructively engage with Government and other policy-makers on issues affecting its membership.  

1.2 ERSA’s membership consists of both private companies and not-for-profit organisations, ranging from modestly sized organisations to the largest providers in the UK. ERSA’s members collectively represent a significant proportion of the sector, receiving in excess of £500 million worth of funds from Government (predominately Jobcentre Plus contracts).

1.3 The Association of Chief Executives of Voluntary Organisations (ACEVO) is the professional association for third sector chief executives. It works solely to connect, develop and represent the sector’s leaders.

1.4 ACEVO has over 2000 members, responsible for a combined turnover of £9.5 billion a year, employing 200,000 staff members and managing over three million volunteers.

1.5 In many ways, welfare to work policy in the UK has been at the forefront of public service reform. Public policy has created a mixed-economy with independent providers engaged to secure employment outcomes.

1.6 ERSA and ACEVO’s membership is integral to the delivery of welfare to work policy. They have extensive experience of providing employment services through a wide range of programmes and initiatives, including Employment Zones, Pathways to Work, Private Sector Led New Deal and New Deal for Disabled People (NDDP).

2. INTRODUCTION

2.1 ERSA and ACEVO welcome this important inquiry into the efficiency savings programme in Jobcentre Plus.

2.2 As the objectives of the efficiency savings programme make clear, making cost savings is not an end in itself. The programme aims to deliver services “more efficiently and more effectively”, helping more individuals successfully enter the job market.

2.3 The Independent Review of Public Sector Efficiency carried out by Sir Peter Gershon in 2004 set the DWP an agreed efficiency target of £960 million by 2007–08, as part of the overall public sector efficiency savings that the Government wish to implement.

2.4 The 2004 Spending Review gave the Department for Work and Pensions a funding level for 2005–06 that would remain unchanged until 2008. Living within this settlement will require the Department to make savings of 2.8% per year by the end of March 2008.

2.5 The Department for Work and Pensions has plans to reduce overall staff numbers by 30,000 by 31 March 2008. Jobcentre Plus has agreed with the Department that its contribution towards that overall reduction would be a headcount target for March 2008 of 65,672 Full Time Equivalent (FTE) staff. To provide some context for that figure, at the end of May 2005 Jobcentre Plus employed 72,888 FTE staff.

2.6 As the organisation states, “Jobcentre Plus is engaged in a major business transformation programme, which represents a huge challenge for the organisation”.

2.7 ERSA and ACEVO, whose members already partner Jobcentre Plus in the provision of many employment services, want to work with Jobcentre Plus and the Department for Work and Pensions as a partner in developing a more efficient welfare to work system.

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11 www.ersa.org.uk
13 www.acevo.org.uk
15 Releasing resources to the front line, Independent review of public sector efficiency, Sir Peter Gershon, CBE July 2004, Table 4.2.
16 House of Commons; Written Answer no 7306—30 December 2005.
2.9 This submission aims to show how significantly increased use of voluntary and private sector providers through a more “outcomes” focused partnership could deliver the required efficiency gains while also improving the performance of services.

3. VOLUNTARY AND PRIVATE SECTOR PROVIDERS

3.1 Despite focusing on harder-to-help groups, evidence shows that independent providers are producing better results and better value for money than existing statutory providers. For example:

**Tomorrow’s People** is a specialist charitable trust helping people out of long-term unemployment. On average, 90% of clients are still in work three months later, compared to 79% on New Deal.\(^1\)

The gross cost per job created by **Tomorrow’s People** is around £2,050 compared to £3,500 for New Deal (excluding administrative costs). The long-term return for investment is calculated to be 160%. For every £100 invested by **Tomorrow’s People**, the whole of society is £160 better off through lower expenditure, additional taxation receipts and wider economic and social benefits.\(^2\)

**InBiz Ltd** is a specialist Self Employment Provider delivering services across 16 Jobcentre Plus districts, targeting harder-to-help groups and the long-term unemployed. **InBiz** has achieved 7,853 positive outcomes over four years under New Deal. 73% of new businesses are sustainable after three years, with 90% of clients remaining off benefit over the same period.

These businesses have contributed £147 million to the Exchequer in taxation and benefit savings as well as £305 million to the local and national economy. An additional 1,300 subsidised jobs have also been created.\(^3\)

**Employment Zones** have been created to find new and innovative approaches to reducing unemployment in the hardest hit areas of the country. Services are delivered by voluntary and private sector organisations. Research shows that 10% more of the long-term unemployed secure work in Employment Zones than under existing provision.\(^4\)

**Working Links** is a public-private partnership set up in 2000 to deliver Employment Zones. Research undertaken in Plymouth this year shows that 73% of clients were in employment 12 months later. Of those, 91% described their quality of life as either significantly or slightly better at the time of interview compared to when they first started work.\(^5\)

**Private Sector Led New Deal** targets the long term unemployed in both the 18–24 (Young People) and 25+ age groups in twelve Jobcentre Plus districts in the UK. Its services are delivered by private providers.

Overall, the Private Sector Led New Deal exceeds national job outcome performance, achieves a high rate of sustainable employment and provides value for money in terms of cost per job. **Fern Training and Development Limited**, for example, is one of the largest private sector providers of New Deal, delivering New Deal Private Sector Led contracts in Leicestershire and South Humber. Approximately 85% of participants who find work are still employed 13 weeks later.\(^6\)

**New Deal for Disabled People** targets people with disabilities and long-term health problems claiming a disability benefit. The majority of its services are delivered by independent providers.

The programme has a job outcome rate of 60.8%, the highest job outcome rate of all New Deal programmes, while also being the most cost-effective at £519 per participant. This is notably cheaper, for example, than New Deal 50+, Jobcentre Plus’ in service house.\(^7\)

**New Deal Mentoring** provides 18–24 (Young People), 25+ age groups and lone parents with one-to-one in-depth mentoring to overcome barriers to employment and/or further training. Its services are delivered by independent providers.

**TNG Mentoring** is one such provider. The average payment for a mentoring intervention is £650 per client. The gross cost per job entry is £1,625. However, the benefit saving alone (not including housing benefits, taxation receipts etc) of an individual in employment over 12 months is £5,200. In 2004, TNG Mentoring placed 1,000 people into sustainable work for an outlay of £1.625 million, saving £5.2 million.\(^8\)

3.2 ERSA and ACEVO have launched a joint campaign to promote the case for a high performing, cost effective public employment service through significantly increased and better use of independent provision by the private and voluntary sector, supported by a clear definition of purchaser and provider responsibilities.

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\(^1\) Twenty-Year Evaluation of Tomorrow’s People, Oxford Economic Forecasting, September 2004.
\(^2\) Ibid.
\(^3\) InBiz Ltd statistics.
\(^5\) Working Links statistics.
\(^6\) Adult Learning Inspectorate figures.
\(^7\) Disability Benefits to Paid Work, Centre for Economic & Social Inclusion, p17—Table 8.
\(^8\) TNG Mentoring statistics.
3.3 Earlier this year, ERSA commissioned an independent study by Oxford Economic Forecasting to examine how the current employment services could be improved. Publishing its findings in October, the report recommends redefining the role of Jobcentre Plus, so that the organisation only carries out the interface functions of a public service gateway (such as paying benefits, deciding on eligibility and managing contracts); or, if it continues to provide employment services, does so as a distinct public service provider—competing with others on an equal footing.26

3.4 This recommended model would substantially increase the role of voluntary and private organisations in delivering services, helping to provide “a marked improvement in the numbers of long-term jobless across the country securing employment”.27

3.5 The report observes that in Australia, where a similar model has been introduced, services have improved and costs have been reduced. 690,000 job seekers were placed in 2004–05, up 70% on the 405,000 placed in 1999–2000. Total costs fell from A$3.2 billion to A$1.9 billion over the same period.28 A number of ERSA members operate in Australia and have been practically engaged with the Australian Government to help implement and develop this model.

3.6 ERSA and ACEVO are currently considering the establishment of a Task Force to work with the Government to take forward the measures outlined in the report.

3.7 It is worth noting the paucity of comparative data on the outcomes of services provided by Jobcentre Plus and those provided by voluntary and private sector organisations. Research of this kind would be extremely useful in informing the work of a Task Force and the direction and pace of future reform.

Recommendation 1

The Department for Work and Pensions should commission an independent study to assess both the outcomes and cost-effectiveness of services provided by Jobcentre Plus and those provided by voluntary and private sector organisations.

4. EMPLOYMENT AND TRAINING PROGRAMMES

Budget cuts

4.1 Delivering Our Vision, the comprehensive programme that sets out Jobcentre Plus’ plan for achieving its efficiency commitments, states that its initiatives will focus on “headcount reductions in support functions rather than frontline services”.29 However, cuts of £186 million have been made on programmes delivering frontline services by independent partners in this year’s budget.30 Work-based learning for adults programmes, for example, have had a 75% reduction in funding, despite delivering services for many harder-to-reach clients.

4.2 These funding cuts are affecting successful employment and training programmes. Reducing the number and scope of these programmes is highly likely to have a negative impact on getting more people into sustained employment. ERSA and ACEVO contend that these cuts are a false economy and will materially affect Government targets for harder-to-reach clients.

4.3 As a result, we are aware of staff leaving the profession and some independent providers going out of business. The continued loss of staff and expertise undermines the success of projects that provide new employment opportunities and threatens the long-term health of the independent sector.

4.4 We have also been no explanation behind the decision to target particular groups for reduced funding; in this case: lone parents. Jobcentre Plus states that the funding allocation is “a political decision about where Ministers want to invest”.31 We believe that funding decisions for employment and training programmes would be best made according to a transparent and clearly defined, outcomes-based criteria.

30 Figure quoted by Matthew Nicholas, Director of Provision and Partnerships, Jobcentre Plus; uncorrected evidence, Work & Pensions Select Committee, 9 November 2005, p 23.
Recommendation 2

The Department for Work and Pensions should develop a transparent and clearly defined, outcomes-based criteria for assessing funding decisions.

Contracting and Funding Arrangements

4.5 There have been significant delays in this year’s procurement rounds, resulting in some contracts being rolled over earlier in the year, and then again in September. Jobcentre Plus has admitted that the situation as “not satisfactory”. 32

4.6 This year’s procurement difficulties are symptomatic of fundamental problems with the contracting and funding arrangements for independent providers.

4.7 Although most private sector contracts with Jobcentre Plus run for over two years or longer, the vast majority of voluntary sector contracts run for a year or less. Voluntary sector providers can therefore only be confident of short-term financial security. A recent survey of ACEVO members questioned about the funding regime found that:

- 76% said that it adversely affected frontline services;
- 81% said that it hindered the organisation’s ability to plan ahead;
- 78% said that it meant that they did not undertake services beyond those detailed in their contracts. 33

4.8 Added to this, providers often have little time to prepare the provision of employment services after winning contracts. Illustrating the problem, one ERSA member states: “If we look at the current rounds, Phase 2 bids have to be with Jobcentre Plus for January 2006. Providers are unlikely to know if they have contracts until February at the earliest, and yet we will be expected to be contract ready by April. This is a common approach”. 34 Indeed, it is not uncommon for contracts to be issued and signed after the contract period has started.

4.9 Overwhelming anecdotal evidence indicates that independent providers devote a disproportionately large amount of time and expenditure to arranging and negotiating contracts. The monetary cost of tendering input can equate to 5% of the total value of the contracts won. 35 Describing the nature of the problem, an ERSA member states, “We must devote huge resources to contract renewal. The cost of bidding for contracts can be excessive, as too great a volume of information is often required at the earliest stages of bidding. Public bodies frequently advertise weighty tender documents with sometimes as little as two weeks to respond, and tender specifications are often altered after bids have been submitted.” 36

4.10 A Commission of Inquiry undertaken by ACEVO confirmed that a lack of financial security, coupled by the amount of work required to arrange and negotiate contracts, is creating significant inefficiencies; forcing independent providers to divert important resources away from frontline service provision. 37

4.11 The Treasury’s 2002 Review, The Role of the Voluntary and Community Sector in Service Delivery: A Cross-Cutting Review, acknowledged the problems posed by short-term contracts. 38 Treasury guidance to government funders, published in 2003 as a follow-up to the Review, lays out the rationale for longer-term funding. It recommends that funding bodies should endeavour to agree longer-term funding arrangements, if these represent good value for money. The guidance points out that longer-term funding could often represent better value for money for government, by allowing them to focus on longer-term results.

4.12 The National Audit Office’s review of the Government’s relationship with the voluntary sector in June 2005, Working with the Third Sector, notes that “the sector has seen no significant change. Third sector organisations had not noticed any general trend towards government departments funding for the longer-term, despite a recognition by funders that longer-term funding was desirable”. 39

4.13 ACEVO and the National Audit Office have put forward detailed recommendations to improve funding practices.

34 Information supplied to ERSA, 8 December 2005.
36 Case Study: Tomorrow’s People, Surer Funding—ACEVO Commission of Inquiry Report, November 2004, p 127.
37 Ibid.
Recommendation 3

The Department for Work and Pensions should develop a framework to urgently address the contracting and funding problems experienced by independent providers.

Multiplicity of Programmes

4.14 The increasing number of programmes, targeting ever more tightly defined client groups which specific provision prescribed to their needs, is also increasing both the complexity and bureaucracy of provision. In London, for example, it is estimated that Jobcentre Plus now operates many hundreds of different contracts with providers.

4.15 A more generic and holistic approach to client provision with additional modules for specific client group needs would simplify administration and make procurement more transparent, measurable, outcomes-focused and efficient.

Recommendation 4

The Department for Work and Pensions should create a standard contract and delivery model with additional modules for specific client needs.

The Problems of a Process-Focused Approach

4.16 The approach taken by Jobcentre Plus towards independent providers is heavily “process” focused, often to the detriment of an adequate appreciation of outcomes. An examination of the administrative processes of The New Deal for Disabled People (NDDP) exemplifies this problem.

4.17 The characteristic feature of NDDP is the national network of “Job Brokers”, mainly provided by voluntary and private organisations. Job Brokers help clients find, secure and remain in paid work. Under NDDP, independent organisations can only qualify for payment by achieving different outcomes: registrations of eligible participants onto the programme, fulltime job starts and sustained employment. Jobcentre Plus requires each outcome to be monitored each month.

4.18 Added to this complexity, Jobcentre Plus only accepts evidence sourced directly from the programme participant and the employer—even though relevant information about an individual’s tax and benefits status is easily obtainable from existing government databases. The Shaw Trust estimates that 20% of the total cost of the contract is spent on administration—much of which is a duplication of administrative resources.

4.19 The whole process is characterised by outdated administrative practices. For example, the Shaw Trust has placed 62,000 people into work through NDDP. Every one of those successes has required a form to be faxed to the Jobcentre Plus payments team.40

4.20 It is understood that changes to current practices within NDDP will be implemented in April 2006. However, there is uncertainty as to how comprehensive and far-reaching these changes will be.

Recommendation 5

The Department for Work and Pensions should launch a full review of current processes and practices with a view to developing an output based approach to all relationships with independent providers.

5. The Capacity and Role of Personal Advisers

5.1 Jobcentre Plus has noted that it is “struggling” this year to meet the targets set for Personal Advisers on job entries—not least because of the National Job Entry Action Plan rolled out across the organisation this summer has set ambitious targets to raise adviser productivity by 50% on job entries.41

5.2 It is important to note that Personal Advisers face a number of institutional and practical barriers to increasing productivity which does not apply to their independent sector counterparts.

5.3 Analysis of the New Deal for Disabled People (NDDP) helps highlight the advantages of private and voluntary sector providers. Department for Work and Pensions research found that “NDDP Job Brokers saw advantages over Jobcentre Plus in being able to spend more time with people, providing a more in-depth service, working more flexibly and being independent of government systems. There was also some support for this among Jobcentre Plus”.42

40 Shaw Trust statistics.
5.4 Evidence shows that independent organisations are able to build and sustain greater levels of trust with clients. An independent study of Tomorrow’s People found that one of the features of its success in gaining positive employment outcomes was “independence from Government—making it easier to win the trust of clients who may be wary of speaking to ‘authority-figures’”.

5.5 A recent National Audit Office Review, Gaining and retaining a job: the Department for Work and Pensions’ support for disabled people noted that “not all Jobcentre Plus areas are active in developing contact with employers... Approaches varied considerably in the Jobcentre Plus offices we visited.” By contrast, voluntary and private sector providers devote far greater time and resources to making contact and developing long-term relationships with employers. This experience is essential to help Personal Advisers secure sustainable employment for their clients.

5.6 In 2002, the Work and Pensions Select Committee highlighted the need for greater individual initiative from staff in responding to client needs: “(we) require more individual initiative from staff in responding to the needs of a wide variety of clients; greater flexibility to adapt practice to suit local circumstances; new skills to engage with people at a distance from the labour market; and new tools to help use them.”

5.7 The experience of the Shaw Trust sending letters to potential clients serves as a small example of how innovation can deliver better results. Working within Personal Adviser pilots, the Shaw Trust used Benefits Agency data to send out personalised letters to potential clients. Its response rate was six times better than the stylised impersonal approach now used by Jobcentre Plus.

5.8 Voluntary and private sector providers can offer specialist and expert provision and are particularly effective when dealing with harder-to-help groups. Many organisations have built up a specialist network of staff and developed a knowledge base that gives them a distinct advantage when dealing with harder-to-help customers. Each individual case is different and must be treated as such. The National Centre for Social Research has found that “Incapacity Benefit Personal Advisers sometimes felt out of their depth with specialist customers.”

Recommendation 6

The Department for Work and Pensions should examine the benefits of contestability within the role of Personal Advisers

Summary of recommendations

The Department for Work and Pensions should:

1. Commission an independent study to assess both the outcomes and cost-effectiveness of services provided by Jobcentre Plus and those provided by voluntary and private sector organisations
2. Develop a transparent and clearly defined, outcomes-based criteria for assessing funding decisions
3. Develop a framework to urgently address the contracting and funding problems experienced by independent providers
4. Create a standard contract and delivery model with additional modules for specific client needs
5. Launch a full review of current processes and practices with a view to developing an output based approach to all relationships with independent providers
6. Examine the benefits of contestability within the role of Personal Advisers

Toby Orr

16 December 2005

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44 First report of the Work and Pensions Select Committee, 2002; para 89.
Mrs Humble: ‘I am sure colleagues would find it useful if you could let us have some ideas in writing given that there is speculation about whether or not Jobcentre Plus should redefine its role to concentrate on benefit payment and processing and management of contracts and then outside organisations actually deliver on employment related services. So we would find it quite useful if you could give us something in writing on that.’

Jobcentre Plus performs an important role under difficult circumstances in the delivery of welfare to work services. While its primary customers are potential jobseekers, Jobcentre Plus also provides a variety of services to employers and plays a strategic role in local, regional and national economic and social development partnerships. In respect of potential jobseekers it provides financial support as a safety net for people of working age while they are out of work and helps to address failure in the labour market. In particular it has a key role in paying benefits, investigating fraud, deciding on eligibility and commissioning and managing employment related service providers.

Jobcentre Plus suffers from unintended conflicts of interest, as it is both a commissioner of employment related services as well as a provider. Jobcentre Plus in-house brokers for the New Deal for Disabled People (NDDP) directly compete against private and voluntary sector providers. This can lead to Jobcentre Plus Personal Advisers having to choose between referring individuals to an independent provider or referring them to an in-house colleague. Clearly such an inequitable situation will not lead to the competition that drives efficiency and performance. While proposals in the Green Paper are encouraging, there are many examples of Jobcentre Plus delivering services directly without seeking to use the private and voluntary sector at all (for example work focused interviews to lone parents). Such conflicts of interest will become increasingly serious as the role of the private and voluntary sector expands. If these conflicts are unresolved, they will inhibit the development of market capacity to achieve policy objectives.

While Jobcentre Plus has an important role to play, it doesn’t always have the necessary skills, resources or flexibility to deliver all services. Private and voluntary sector providers of employment related services are flexible and innovative. As non-Governmental bodies they particularly have greater flexibility operationally, reflected in more empowerment of front-line delivery staff, there is less distrust of engagement amongst benefit recipients and their links with other local institutions may be closer. The Department for Work and Pensions’s welfare reform Green Paper notes that under Employment Zones, private and voluntary sector providers have “achieved significantly better job outcomes than Jobcentre Plus does with comparable clients” and greater freedom has improved performance (A new deal for welfare: Empowering people to work—January 2006, p 74)

The private and voluntary sector can continue to play a much greater role in the delivery of welfare to work services where Government sets clear outcome focused objectives. The continuity of purpose from welfare policy to procurement strategy and on through local contract management needs to be considerably improved if the effectiveness of contracting services is not to be undermined by counterproductive contract implementation. In this context it would be helpful to have a debate on whether there is a necessity for Government to continue to have a capacity to directly deliver employment related services and where the line between public and voluntary/private sector provision should be drawn.

When services are contracted it is not appropriate to have a mixed-economy of public, private and voluntary sector providers, unless public sector agencies are competing on an equal and transparent basis. This would necessitate tendering decisions being made by an organisation without a vested interest and subsequent contract management must be competent and willing to focus on improving the quality of delivery rather than applying compliance requirements that bear unequally on direct and contract delivery provision.

Whilst recognising the significant public investment in Jobcentre Plus to date, given the efficiency targets and concerns over performance, what is needed now is to clearly define the role of Jobcentre Plus. A timetable should be set for Jobcentre Plus to focus on its commissioning functions as a public service gateway. Jobcentre Plus would continue to be the first point of contact for those seeking a job and would pay benefits, but the existing functions of Personal Advisers would be performed by the private and voluntary sector with customers being able to choose between providers wherever possible. This would allow the focus of Jobcentre Plus to be:

- Define client groups.
- Lay down qualification criteria for individuals.
- Administer and service benefits.
- Undertake decision-making and appeals.
- Procure services.
- Evaluate bids.
- Design incentives and penalties with the aim of achieving successful outcomes for customers.
- Evaluate the performance of providers, recognising those who make a superior contribution.

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The focus of a public service gateway function for Jobcentre Plus would enable it to concentrate on driving up performance and helping even more people back to work.

Memorandum submitted by One Parent Families

SUMMARY

— The Government has a target to have 70% of lone parents in employment by 2010, closely related to its aim of halving child poverty by that date. Jobcentre Plus is the key delivery agency for this target, through its provision of the New Deal for Lone Parents.

— The reduced settlement for the Department for Work and Pensions in the 2004 Spending Review means that Jobcentre Plus has been forced to make significant cuts in both staff and services. These cuts are having a negative impact on the services provided to lone parents.

— Training budgets and the provision of childcare for lone parents who wish to train have been substantially cut.

— The Advisers Discretion Fund—a key tool for helping lone parents back to work has been reduced from £300 to £100.

— Jobcentre Plus is behind on its targets for job entry, and officials suggest that this may be largely due to a failure to meet targets for lone parents going back to work.

— Well trained, specialist advisers are essential to the success of employment programmes. Yet lone parent advisers are increasingly under pressure and do not feel that they have the resources to adequately do their jobs.

— The introduction of a call centre model for benefit claims has not gone well, and does not appear to have produced benefits for either staff or clients. Face to face advisers will always be central to the delivery of benefits and employment programmes, and maintenance of this service should be the priority for Jobcentre Plus.

1. INTRODUCTION

1.1 There are around 1.8 million lone parents in Britain today,48 around 56% of whom are in work.49 The Government have set a target to have 70% of lone parents in work by 2010—as part of its strategy to halve child poverty by the same date. The Government’s aspiration for an 80% employment rate also relies on an increase in the number of lone parents in employment, with the Department for Work and Pensions’ Five Year Plan suggesting that it would require 300,000 lone parents to move into work.50

1.2 Jobcentre Plus is the key delivery agency for this target, through the New Deal for Lone Parents (NDLP). It is also responsible for paying the key benefit for lone parents out of work, ie Income Support, and lone parents make up a substantial proportion of Jobcentre Plus’s key clients. Analysis of the working age caseload of Jobcentre Plus shows that as at May 2005 there were:

— 2.74 million claimants of Incapacity Benefit;
— 845,000 claimants of Jobseekers Allowance; and
— 787 lone parent claimants of Income Support.51

48 One Parent Families (2005) One Parent Families today; The Facts OPF.
Key benefit claimants dealt with by Jobcentre Plus

1.3 The New Deal for Lone Parents has been successful to date in moving lone parents into work. The lone parent employment rate is up 10 percentage points since 1997, and evaluation shows that NDLP doubles the chance of participants getting a job.\(^{52}\) What is more, NDLP does this very cheaply—a recent Parliamentary Question showed that the cost per job for NDLP was £244, compared to an average cost of £2,047 across New Deal programmes and a cost of £3,377 for those on the New Deal 25 Plus.\(^{53}\) However, for the lone parent employment target to be met, progress must be considerably more rapid. Jobcentre Plus’s business plan for 2005–06 set itself ambitious targets for lone parents to:

- Pilot Pathways to work for lone parents (now called New Deal Plus for Lone Parents) in five districts offering an integrated package of support including clearer guarantees of advice and support delivered with the ongoing help of professional and well trained and properly supported advisers (the pre-budget report announced that this programme would be extended to a further two areas from October 2006).
- Continue the piloting of the work search premium.
- Extend the in work credit scheme for lone parents to include nearly all London districts, and extend this further to six additional districts in October.
- During 2005–06, aiming to get 128,482 lone parents into work.\(^{54}\)

1.4 However, the resources available to meet these targets have been considerably reduced from those in previous years. As the business plan makes clear, Jobcentre Plus must make savings of around £600 million per annum, and as their oral and written evidence to the committee outlines, this will mean:

- Reducing staff by approximately 9,000 full time equivalent in the current spending review period, to contribute to the overall DWP target to reduce headcount by 30,000 by March 2006.\(^{55}\)
- A cut of £186 million in the amount available for third party provision this year.\(^{56}\)

1.5 The Business Plan also outlines efficiency savings to be made by “spreading best practice and introducing a standard operating model for key processes” and by ensuring that the best value for money is achieved from providers. Jobcentre Plus will also be “transformed” with the development of e-services and the centralisation of benefit processing.\(^{57}\)

\(^{52}\) Evans M et al (2003) New Deal for Lone Parents; second synthesis report of the national evaluation DWP.
\(^{53}\) Hansard, 21 November 2005, Column 1674W.
1.6 We have significant concerns about Jobcentre Plus’s ability to deliver Government programmes at the same time as making these efficiency savings. We also are not convinced of the benefits for customers of centralisation and new delivery channels such as e-services and contact centres. We outline these below under the areas suggested by the Committee of employment programmes and training, the role and capacity of personal advisers, the performance of the customer management system and the principles and performance of contact centres.

2. EMPLOYMENT AND TRAINING PROGRAMMES

2.1 The New Deal for Lone Parents offers lone parents on Income Support the option to train towards a level 2 qualification as part of the process of preparing for work, and will support their childcare costs will they do so. As 51% of lone parents on Income Support have no qualifications, this is an important part of the return to work service.

2.2 However, at present we are hearing many reports on our helpline that, due to reduced training budgets, Jobcentre Plus will not refer any lone parents to training—and where lone parents find training themselves, will not fund childcare. This has come at the same time as the LSC has cut its budget for adult learning, meaning that many Further Education colleges have also cut their childcare support funds meaning that many lone parents on Income Support are being denied the opportunity to improve their skills.

2.3 Evidence given to the Committee suggests that the, already reduced, training budget is being focused on the mandatory New Deals and that “there is less contracted provision available for lone parents and other adults.”

2.4 The need for “efficiency savings” has also led to a reduction in the Advisers Discretionary Fund—one of the key tools for advisers to help lone parents (and other client groups) into work. On the 9 May, the maximum total award per claimant was reduced from £300 to £100, despite evidence from the NDLP evaluation that while the ADF was serving as a useful tool, it was often “stretched very thinly when having to address multiple constraints, particularly when a lone parent had more than one child.” The formal evaluation of the Fund also found that the award was often stretched, and that average awards were higher than £100:

“For NDLP customers, the stage one research suggested an average ADF allocation of £130.55, which was commonly used to tackle barriers faced by individuals in addition to childcare. This customer group was also described as typically having no access to savings and often having debts related to their situation as lone parents. ADF funding for lone parents was considered to be stretched when they had multiple barriers including up front childcare costs.”

2.5 There is evidence that these cuts are already impacting on programme participation and job entries. Participation in the New Deal for Lone Parents between April and August 2005 (the latest date for which figures are available) was down slightly (by around 4%) compared to the same period in 2004. More worryingly, evidence to the Committee indicated that job entries were around 7% below target and that much of the shortfall may be coming from lone parents, with Leslie Strathie stating that “the gap between last year’s performance and the targets we have set ourselves for moving those priority group one customers, lone parents and those on inactive benefits, is a big challenge for us and that is where we are not making the numbers yet . . .” Moreover data for performance between July and September 2005 shows a greater shortfall against Job Entry targets of 8.4%. This is worrying, particularly given the importance attached by the Government to increasing lone parent employment in order to meet the child poverty target.

2.6 The Department for Work and Pensions is experimenting with using providers other than Jobcentre Plus to deliver employment services. In areas of London private sector delivered Employment Zones have replaced the New Deal for Lone Parents, and in other areas lone parents can chose whether to use Jobcentre Plus services or those provided by the private sector. We have had mixed reports on the success of these

59 See, for example, the article in Education Guardian of 1November 2005 “I want to work, to take care of my family” available here: http://education.guardian.co.uk/egweekly/story/0,5500,1605425,00.html
60 In its written evidence to the committee prior to its hearing with Leslie Strathie, Jobcentre Plus stated that “Maintaining the availability of the New Deal mandatory options nationwide remains a priority” (Paragraph 3.5, Memorandum by Jobcentre Plus to the Work and Pensions Select Committee November 2005).
64 Between April and August 2004 65,290 people joined the New Deal for Lone Parents, compared to 62630 between April and August 2005 (DWP (2005) New Deal for Lone Parents National Timeseries Statistics).
68 See www.employmentzones.gov.uk
for lone parents, and we do not yet have any reliable data by which to assess this. However, early evidence about the extension of Employment Zones to lone parents suggests that this is not a cheap option or an area in which substantial savings can be made. Employment Zones were finding that lone parents presented the biggest challenge of all their clients, and that they required specialist and knowledgeable Personal Advisers providing long-term help. One provider had decided to invest “substantially” in dedicated lone parent premises and delivery, and in one area financial incentives were being paid to lone parents who signed up to the Employment Zone.69 If private providers are to be successful they will require substantial investment, and this is not, in our view, an area in which efficiency gains can be made.

3. THE CAPACITY AND ROLE OF PERSONAL ADVISERS

3.1 One Parent Families has been concerned for some time that, since the decentralisation of Jobcentre Plus, Personal Advisers working on the New Deal for Lone Parents have been receiving insufficient training. One Parent Families has the contract to deliver lone parent awareness training to many Personal Advisers and have seen a decline in their motivation; many of those who attend our training now have been working for some time before receiving this training, which is intended as an introductory course. In evidence to the committee, Leslie Strathie said that high quality adviser training was key to the success of the Pathways to Work programmes for those on Incapacity Benefit: “the training that we give our personal Incapacity Benefit advisers is eight weeks, It is the greatest degree of training that we give to any of our adviser groups, but that, for me, is crucial to the success of pathways.”70 We would like to see the same amount of training given to those working with lone parents.

3.2 We have been reassured that the job cuts will not affect front line staff, but rather, “Jobcentre Plus will also re-deploy substantial numbers of staff to customer facing roles by March 2008.”71 We are concerned that those who are re-deployed from back office jobs to front line roles may not have the considerable skill necessary to encourage lone parents back to work. Training will be particularly essential in these cases.

3.3 We believe that specialist advisers have been key to the success of the New Deal programmes. Advisers working on the New Deal for Lone Parents increasingly tell us that they are being asked to deal with “mandatory” and other client groups, in addition to their lone parent caseload, and are worried that their specialism will be lost. We know that within the “Building on New Deal” areas the Department intended to pilot the use of generalist advisers. We are still unclear whether these plans are going ahead.

3.4 Lone parent advisers who attended One Parent Families’ annual conference on the 13 October told us that they feel increasingly pressurised, and unable to devote sufficient time to their clients. They are also frustrated that the current lack of resources within Jobcentre Plus means that they cannot deliver what they see as the full service necessary for lone parents. Demands on advisers have recently increased, with the introduction in 2005 of quarterly Work Focused Interview for lone parents whose youngest child has reached 14. While we were pleased to see that resources have been devoted to this programme,72 we are not sure that they are sufficient. As the Social Security Advisory Committee commented on their report on the introduction of quarterly Work Focused Interviews:

“As the WFI regimes become more extensive and intensive, there are a number of difficult resource issues raised by the need to have large numbers of skilled PAs to conduct increasingly complex interviews . . . There are difficult choices for the department to make at a time when efficiencies have to be made and more limited resources are stretched to deal with competing priorities. The PA role is not one that can be centralised or substituted by IT . . . Indeed the reverse is true, that the more adviser services are shown to be successful, the more demand there will be on resources. Having time to spend working closely with individuals, employers and providers is the key to the success of the WFI regime and the PA service.”73

4. THE PRINCIPLES BEHIND AND PERFORMANCE OF CONTACT CENTRES, AND THE PERFORMANCE OF THE CUSTOMER MANAGEMENT SYSTEM

4.1 It is clear that since the introduction of contact centres, supported by the Customer Management System, claimants have experienced considerable delays in their benefits being processed. Answers to Parliamentary Questions indicate that, at the last point that data was available:

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72 A total of 4.3 million is expected to be spent on this programme during 2005-06 with funding for the initiative based on a planning assumption of the equivalent of an additional 65 full time equivalent staff for the period October 2005 to March 2006 (Hansard, 6 December 2005, Column 1207W).

Customers are being called back to make a benefit claim on average, within 2.6 days of their initial contact (compared to a target of 24 hours);\textsuperscript{74}

81.5\% of calls to contact centres were being answered (as at the last week of November 2005) against a target of 90\%\textsuperscript{75} and

Nine contact centres were operating clerical procedures.\textsuperscript{76}

4.2 Yet the extent to which these are the result of difficulties with CMS2 and the IT, or of general problems with the contact centres’ operation is unclear. In answer to a Parliamentary Question, Lesley Strathie indicated that it may be general issues, rather than CMS2 failure, that are the problem:

“When the system was first introduced we experienced some difficulties with system performance and reliability. Following a series of “performance releases” designed to address these problems, the computer system now performs to agreed service levels. Since February 2005 there has only been one occasion where a CMS failure has affected all offices and made it necessary to invoke business continuity processes.

We have, however, experienced some difficulties in call handling in some of our contact centres. Some of our customers have found it difficult to get through on the telephone, and we have had to introduce clerical contingency procedures in a number of sites in order to maintain customer service. This has not been caused by any failure on the part of the computer system itself, but relates to the administrative processes that have been introduced alongside the new computer system.”\textsuperscript{77}

4.3 Whether attributable to computer or more general administrative problems, it is clear that these delays cause serious problems for claimants. Recent cases from One Parent Families’ advice line include:

Several calls from lone parents who had made an application for Income Support and had been waiting for weeks without hearing anything. Some of them had been told that they’ll “just have to wait”. Others were told that “it was being dealt with by the office in Glasgow”, but wouldn’t give the lone parent the number so they could chase it up, or agree to chase it up on behalf of the lone parent.

A lone parent who had been receiving Income Support for about two years, had tried to withdraw money from the bank to find that no payment had gone in. She had been trying to contact Jobcentre Plus to sort this out, but the lines were constantly engaged.

A caller rang who had been waiting for some time for her Income Support and associated Child Tax Credit to be processed leaving her with no money. She had been refused a crisis loan, interim payments and emergency payments from HMRC.

A caller rang in October who had claimed Income Support in August and had yet to receive anything.

4.4 Such problems indicate that the introduction of a call centre, IT based model, does not always indicate increased efficiency, particularly for claimants. The examples of the Child Support Agency and tax credits, both of which have utilised an exclusively IT based call centre model, make us extremely worried about any further movements along this line.

4.5 Moreover, it is clear that there will always be a substantial role for the provision of face to face advice—both on benefit issues and back to work services. Research into new “channels” of delivery for Jobcentre Plus confirms this view, finding that

“Customers identified a continuing need for face to face contact with staff because staff provided essential practical support, informed clients about relevant services and provided much needed emotional support.”

And that

“Staff were focused on, and motivated by, a desire to offer a high level of customer service and for this reason they were negative about contact centre delivery in relation to benefits gains.”\textsuperscript{78}

4.6 We are concerned that further moves to use alternative channels such as the Internet may also disadvantage Jobcentre Plus’s most disadvantaged claimants who are likely to have less access to such services. Research found that home access to computers is a particular problem for low income groups, lone parents and one person households.\textsuperscript{79} We also doubt whether such moves will, in fact, lead to great efficiency savings for Jobcentre Plus. The experience of tax credits, with large numbers of additional staff drafted in

\textsuperscript{74} Hansard, 7 December Column 1372W.

\textsuperscript{75} Hansard, 12 December Column 1766W.

\textsuperscript{76} Hansard, 12 December Column 1772W.

\textsuperscript{77} Hansard, 5 December 2005 Column 1049W.


Ev 136 Work and Pensions Committee: Evidence

5. Conclusions

5.1 The New Deal for Lone Parents, as implemented by Jobcentre Plus, has performed well for lone parents. But the efficiency savings, in effect cuts to services, that have followed the Department for Work and Pensions reduced settlement in the Spending Review are seriously damaging the service provided, and with it, the chances of the Government meeting its targets to have 70% of lone parents in work by 2010 and to halve child poverty by this date. In particular:

— The training available to lone parents has been drastically reduced, damaging their chances of getting into good quality work.
— The reduction by two thirds of the Advisers Discretionary Fund is likely to further damage their prospects, and information from Jobcentre Plus suggests that job outcomes are already below target.
— Good quality, specialist advisers are essential to the success of Jobcentre Plus’s employment programmes. But we are concerned that lone parent advisers are being put under increasing pressure, with less training and fewer resources.
— The development of new “channels” for the delivery of Jobcentre Plus services, in particular call centres, appears to be a strategy which is yet to deliver significant benefits for either staff or customers. There will always be a need for high quality face-to-face advice and we believe that this is where resources should be focused.

Kate Bell
16 December 2005

Memorandum submitted by Centre for Economic and Social Inclusion CESI

Inclusion warned about the potential impact of the efficiency savings programme as soon as it was announced in 2004. Inclusion regrets to say that at least some of the warnings have proved prophetic, and that action that could have been taken to prevent the issues that have arisen since has, if taken, proved less than effective. The original article warning of this is attached.

Employment and Training Programmes

— The provider infrastructure has been put under severe stress due to contract uncertainty over the current financial year.
— Inclusion surveyed (for the Association of Learning Providers) providers of about 25% of New Deal starts.
— They projected, on current contracts, a 52% reduction in option/IAP starts—when longer term unemployment is increasing for young people and to a lesser extent adults.
— The extent to which increases in longer term unemployment is due to reductions in Jobcentre Plus provision (which takes people off the Claimant Count) is as yet unknown.
— Providers expected a substantial fall in both the number of contracts they had with Jobcentre Plus, and the volumes of those contracts.
— As a result, nearly 60% of providers expected a reduction in their own staffing and only about 17% expected to grow.
— This reduction in Jobcentre Plus activity affects other funding streams—in particular co-financed European Social Fund activity but also the ability to deliver Learning and Skills Council work.
— The impact of budgetary restrictions from Jobcentre Plus was particularly strong on skills and, in particular, basic skills and English as a second language skills. This conflicts with other Government priorities.
— Providers’ overall summary was that Jobcentre Plus was declining fast as an effective agency to work with, particularly in comparison with the LSC, where effectiveness was felt to be rising.

80 For example the value of compensation payments made to tax credits claimants between 1 June 2005 and 30 September 2005 was around £410,000 (Hansard, 22 November 2005: Column 1913W).
THE CAPACITY AND ROLE OF PERSONAL ADVISERS

— Evaluations have consistently demonstrated the key role of the personal adviser within Jobcentre Plus.

— Evaluations have also commented on the importance of Personal Adviser caseload size and management to deliver Jobcentre Plus’ objectives and targets.

— Staff turnover among Personal Advisers has also been a key issue in evaluations—as a factor in their success is the ability to build a trust relationship with the customer on their caseload.

— If customers are faced either with new Personal Advisers or with Personal Advisers who have low morale because they personally are under threat of reorganisation as a result of having to swap caseloads as natural wastage reduces headcount, then trust relationships can easily be lost. Once lost, a trust relationship takes time to be rebuilt.

THE PERFORMANCE OF THE CUSTOMER MANAGEMENT SYSTEM

— The phasing of the efficiency savings has meant that the Customer Management System has been put under severe stress with inadequate testing.

— The savings programme, and associated reorganisations within Jobcentre Plus, have been put into place concurrently with the further and planned roll-out of the Jobcentre Plus model and the rolling out of the Customer Management System.

— While the concept of making efficiency savings by automating and centralising back-office functions is sensible, this does depend on the Customer Management System, Contact Centres and the associated workflows working properly when they go live with vulnerable customers—essentially from day one.

— The effectiveness of this transition does depend on extensive testing, and in particular, stress testing, of systems, to ensure that they do not break under pressure. Evidence so far is that, as with previous similar changes, insufficient time and resources was allocated to this essential process.

THE PRINCIPLES BEHIND, AND THE PERFORMANCE OF, CONTACT CENTRES

— It is important that vulnerable people, whether unemployed, lone parents, sick and disabled people or Jobcentre Plus’ other customers are not sent from one office to another or forced to phone multiple times to receive sufficient money to pay their food and other bills.

— Inclusion understands that the intention of moving to first contact via Contact Centre was precisely to streamline this process.

— Experience was gained through the ONE pilots, and then through the pathfinders for Jobcentre Plus, which should have enabled a smooth introduction of Contact Centres as the first contact method.

— However, our experience is that the workflows within Jobcentre Plus are under severe stress. Much of this stress arises from staff attempting to provide a high-quality service to customers and to deal with customers’ problems, but having insufficient time to be able to do so when faced with IT systems that do not work effectively.

— The well-publicised breakdowns in workflows between Contact Centres and local offices are, in our opinion, not due to the principle of using Contact Centres for first contact, but to the delivery of the implementation, both in IT terms and in ensuring sufficient time for staff to be able to deal with their customers—who are, almost by definition, vulnerable.

Working Brief front page comment July 2004 (Working Brief 156)

The job cuts announced in the Chancellor’s July spending review were worse than originally expected—40,000 jobs will go at the Department for Work and Pensions (DWP).

It is thought that Jobcentre Plus will be expected to find at least 10,000 of these job cuts — 10% drop in staffing levels. Overall funding for DWP has also been virtually frozen for the next five years at just over the £8 billion mark with a drop in real and actual terms after 2006. However, this means that with reduced staffing levels there will effectively be more money in other areas.

The Government justifies the “cuts” on two grounds. First, the fall in the number of claimants since 1997 and the savings associated with this. Second, the efficiency gains from IT systems and the processing of benefits. Politically the Government is calculating that the public will swallow the cuts and in our Comment piece we show how far unemployment has dropped down the public’s agenda.
But there must be questions asked about the future capacity of the frontline of Jobcentre Plus and its delivery partners. The drive towards full employment now shifts from JSA claimants to those on inactive benefits and the network of Personal Advisers is critical for extending support to such clients. Completing the roll-out of Jobcentre Plus and delivering “Building on New Deal” are priorities that cannot be short changed.

However, the cuts must be considered in context. Services providing childcare and skills are being heavily expanded, both are essential in getting more people into work. In-work credits and work-search premiums can also be used more heavily without falling foul of spending limits.

So will the cuts be damaging or manageable? There will be many difficult choices ahead. The cuts have the potential to damage the frontline infrastructure of Jobcentre Plus, and also chances of the most disadvantaged to get the support they need.

The extent to which the cuts are manageable will depend on whether DWP gets smarter at delivering more for less and if it is successful at keeping the right posts and people—something that rarely happens when such large numbers of posts are lost.

Memorandum submitted by Citizens Advice

SUMMARY

— An efficient service for people who need financial support because they cannot work is as important as an effective service for helping people move into paid employment. Both these goals are reflected clearly in the objectives the Department for Work and Pensions has set itself, yet evidence from CAB interviews with clients shows that the efficiency programme has created serious problems for people seeking work and trying to make benefit claims. There is nothing new about benefit administration problems, and we are not entirely convinced by claims that the major programme of change will experience teething problems before improving efficiency.

— The DWP’s Autumn performance report 2005 notes that “The efficiency target will be met when the overall efficiency savings, including the staff savings, are achieved without any detriment to performance across all areas of the Department for Work and Pensions’ activities and its customers experience no diminution in the service they receive.” This appears to recognise that service quality has fallen below standard. Following the announcement of efficiency targets, the DWP reassured us that there would be no drop in service quality. Evidence from Citizens Advice Bureaux suggests there have been significant failings and new problems.

— Many bureaux have very good working relationships with their local Jobcentre Plus, but many others find that local Jobcentre Plus management does not treat them as valued partners, and fails to discuss planned changes in service provision. Good relationships are invaluable for both organisations and crucial for bureaux advising clients in times of change to service delivery. It is disappointing that it is precisely at these times that in many areas liaison appears to have fallen apart as changes to delivery processes have been coupled with reorganisation of staffing structures.

— Call centres have, in recent months, been unable to cope with demand. Key problems include people being unable to get through on the phone and a lack of alternatives for people unable to use the phone. We are not convinced that enough resources have been allocated to ensure that the most vulnerable claimants are not disadvantaged by efficiency savings.

— Last year (2004–05) Citizens Advice Bureaux across England and Wales helped clients with just under 1.6 million benefit and tax credit problems. Bureaux help people who find the benefits system complex and difficult to navigate. They help people apply for benefits, challenge decisions; they chase delays and explain complex or obscure communications. Bureaux also regularly give advice to clients considering taking up paid employment who want to know how their situation might change.

— Even if operating well, the call centre model does not work for all claimants and the system breaks down because viable alternatives were not built in as an integral part of the system. Telephone communication is not appropriate for many claimants with mental health problems, physical disabilities and hearing problems. It is also problematic for claimants in hospital or other places where there is no confidential access to a phone. Although we were assured that the need for alternatives to phone contact has been recognised, the over-emphasis on the telephone as the preferred model, in staff training and in the allocation of resources has meant that there is in practice little capacity for Jobcentre Plus offices to offer face-to-face or paper claims.

— Even claimants who are content to apply by phone have experienced significant problems, as call centres have failed to cope with the demands placed upon them. Claimants have had to wait several weeks for their claims to be processed because of delays in getting through on the phone to make the initial application; delays in the outbound call and long waits for appointments to complete their claim at the Jobcentre Plus office. In one case a claimant had to wait more than a month to receive his call back, delaying his claim.
— The social fund is also operating a predominantly telephone based model. Whilst welcome for many claimants, particularly those in rural areas, again access has proved problematic for many.
— The reorganisation of benefit processing, coinciding with new claim procedures, has left bureaux without the necessary contact details to resolve client problems. Good working relationships between bureaux and Jobcentre Plus have always helped contribute to Departmental PSA targets by resolving benefit decisions and improving accuracy. Where good liaison and contact arrangements exist between bureaux and Jobcentre Plus offices, errors tend to be corrected more quickly, and the standard of decision-making improves.
— In too many cases, bureaux report that Jobcentre Plus staff are referring clients to them for assistance that used to be available in Jobcentre Plus offices. Clients are increasingly turning to bureaux for support when they can’t get through on the telephone, and bureau advisers are spending far longer with each client, trying to find new contact numbers and trying to get through to resolve problems.
— The Pathways to Work pilots have demonstrated the value of good quality advice and support from personal advisers. We welcome the recognition of their value in the proposed redeployment of 10,000 DWP staff to these frontline positions. A positive experience is vital if claimants are to be helped to successfully return to work in the longer term. We are concerned, however, that a lack of resources will limit advisers’ capacity to provide a comprehensive service to all jobseekers, both in terms of the number of staff and the manageability of their workload, and the quality of training they receive. The availability of good quality advice and support will be a vital to the Government’s planned incapacity benefits reform.
— Whilst it was to be expected that the merger of the Jobcentre and benefit agency office networks would result in some office closures, further centralisation has meant that many claimants face longer distances to travel to their “local” Jobcentre Plus office. This can be difficult for claimants who have disabilities, young children, or low incomes.

1. **Principles Behind, and Performance of, Call Centres**

1. Citizens Advice has welcomed the Government’s commitment to modern, responsive and efficient public services. Too many people today still miss out on welfare benefits that they are entitled to and better public services should be helping to improve take up, and thus incomes and well being. Call centres work well for a majority of people. They enable people to call government departments from the comfort of their own home, at a time that suits them, and many problems can be resolved quickly and easily. It can be of particular advantage to people living in remote areas or have mobility or sight problems.

2. The Social Exclusion Unit has recognised that a key challenge of Jobcentre Plus is to improve its services for disadvantaged groups and to make resources available to provide face-to-face support to those customers who need it, at the same time as achieving efficiencies. They warn that, although a key element of the strategy for achieving this is to conduct more business over the telephone and via the internet, this approach raises important questions about initial access to Jobcentre Plus services.81

3. In our 2004 report, *Hanging on the Telephone*,82 we highlighted how CAB clients, the majority of whom are on low incomes or disadvantaged in some way, have often found that the call centre approach has not been capable to meeting their needs. For claimants with particular disabilities, telephone contact is sometimes simply not appropriate. This is true of many people with mental health problems, people with physical and, in particular, hearing disabilities. Telephones are also often inappropriate for claimants in hospital or those who have no confidential access to a phone.

4. It is still the case that many households do not have a landline. This is increasing as more people rely on mobile phones. Many households on the lowest incomes depend solely on pay-as-you-go cellphones. The cost of calls, and the length of time spent on hold, or listening to a record message, is also a barrier to access.

5. For those people able to use the phone, quality of access will always be key to whether the service is satisfactory. Most people (as shown by 2004 MORI research) consider the phone to be a speedy and convenient method of contact compatible with busy lifestyles. One in four people (24%) had contacted a government agency call centre in the previous year. Three in ten (30%) customers were either fairly or very dissatisfied with the service they received from government call centres.

6. One million calls from benefits claimants are reported to have gone unanswered by the new system between April and September of this year. A Parliamentary Question recently revealed that over 119 million calls to Government call centres went unanswered since April 2003.83 This time scale is significant, and the worst performing DWP department, the Disability and Carers Service, has since made considerable improvement. Current figures show that between 1 April and 30 November 2005, the DCS helpline answered...
93.3% of all calls, with only 24,195 (0.7%) of callers receiving an engaged tone, compared to 14.1 million callers during the equivalent period last year. The DCS helpline has also been accepted as an accredited member of the Contact Centre Association Standards Council.84

**THE JOBCENTRE PLUS CUSTOMER MANAGEMENT SYSTEM (CMS)**

7. CMS is essentially an information gathering process. It has been rolled out alongside the merger of jobcentres and benefit agency offices to form the new Jobcentre Plus integrated services. The CMS system currently covers about 60% of the network and rollout is due for completion in 2006.

8. The telephone is now DWP’s preferred method for all claimants applying for primary benefits (income support, incapacity benefit and jobseeker’s allowance) in Jobcentre Plus rolled out areas. New claimants who visit their local office to make a new claim are directed to the “warm” phones to make the application. The information gathered is passed on to departments administering associated benefits such as housing and council tax benefits so the claimant does not have to give this information twice. The target time for processing income support and income-based JSA claims is 12 days and incapacity benefit claims is 19 days. Claimants will be directed through a three-stage claim process:

1. Client calls the Jobcentre Plus contact centre to make an initial application for IB/IS/JSA. Basic details are taken down in a 15-minute telephone interview to establish entitlement. A time should be arranged for a “call back” within 24 hours and claimants are advised to have relevant paperwork ready.

2. First contact officer calls the client back at a pre-arranged time, to take down further details. They arrange a date for an interview with the financial assessor in their local Jobcentre Plus office and if relevant, a work-focused interview with a personal adviser.

3. All the paperwork is sent to the claimant to check and bring with them to the interview. The financial assessor confirms the details and sends the data through to the processing teams for payment.

4. Lack of alternative provision for claimants unable to use the phone

9. As CMS has rolled out across the country bureaux have reported difficulties experienced by both their clients and themselves. The DWP has estimated that approximately 10% of claimants would be unable to deal with a phone application, and yet there has been no evidence of a clear strategy to deal with this.

10. Eighteen months after the announcements of the introduction of the call centre approach, we remain concerned that the needs of the claimant groups unable to use the phone have not been adequately factored into the claim process. As a result this group is being disadvantaged. CAB evidence shows that, time and time again, vulnerable customers unable to use the phone have not been offered alternatives.

11. In each local area bureaux have had to go through the same issues with their local Jobcentre Plus offices. In 2004:

   A bureau in the north east (Darlington) reported the difficulty for mental health in-patients using the phones for a 40-minute application interview. In many cases it was inappropriate to use an incoming phone on the ward for such a long time. It was also not possible to complete such a long interview in this manner because of their health needs. Through liaison with their local office the bureau was able to obtain paper forms to complete with clients.

   A Surrey (Camberley) client had been off work for two months with stress, hypertension and depression. The bureau called their local office to obtain an incapacity benefit form and was told that the application would have to be conducted over the phone. The bureau explained that this would be difficult and the Jobcentre agreed that the client’s wife could undertake the interview with him standing close by. The bureaux was concerned that other clients may not have this alternative, or consider it appropriate.

   In (Sheen) London a woman claiming income support had been given a form to complete but after waiting over two hours to submit it was told that her postcode meant that she needed to claim over the phone. The bureau wrote three times to clarify what processes applied to claimants in different areas but failed to receive a response.

12. It is disappointing that lessons were not learnt when these issues became apparent early. Last year, following concerns raised by a CAB mental health group, David Anderson wrote to Citizens Advice to assure us that Jobcentre Plus recognised that the phone was not appropriate for all claimants. He explained that call centre staff are trained to recognise claimants for whom a telephone claim was not appropriate and that face-to-face services were still available where necessary.

13. Citizens Advice has sought meetings with Jobcentre Plus to clarify the current extent of the problems and understand more fully the measures they are taking to rectify them. We had a useful meeting with the CMS IT functionality team in September 2005, which helped us to understand the way the system should

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84 Letter from Terry Moran, Chief Executive of Disability and Carers Service, 9.12.05.
operate. However, they were not in a position to discuss the difficulties arising from the implementation of the system. We highlighted many of the difficulties reported by bureaux in evidence to this Committee in November 2005.

14. We have also regularly raised concerns with the Jobcentre Plus Public Affairs team. We wrote to Lesley Strathie, Jobcentre Plus Chief Executive, on 11 November 2005, requesting a meeting to discuss our concerns further and hear more about the steps Jobcentre Plus are taking to address the identified concerns. We are currently awaiting a meeting with Mel Groves, the Chief Operating Officer of Jobcentre Plus.

15. Bureaux continue to report claimants not being offered any alternative to a telephone claim. It is the job of First Contact Officers (FCO) in contact centres to identify those callers who are struggling with a telephone interview. This process is not working well in some cases, and many bureaux report vulnerable claimants not being offered alternatives:

A client with mental health problems wanted to claim income support. The CAB adviser rang the Jobcentre Plus contact centre on her behalf, but the call centre operative was only willing to speak to the client directly. Finding it difficult to cope with the telephone conversation, she ended the call prematurely.

A client suffering from a benign brain tumour needed to make a claim for incapacity benefit (IB). She was told by Jobcentre Plus to make a claim using CMS and the new phone system but was finding this difficult, as she was 70% deaf. She was frustrated and worried about her claim. This client should have been offered a face-to-face interview.

16. The Jobcentre Plus Chief Executive has said that their preference is for people who are unable to use the phone to make their claim with the support of a third party. If this is not possible, a FCO can take the information face-to-face from the claimant, at a Jobcentre Plus office or, if necessary, via a home visit. The FCO role is to collect the data that would be collected in the two calls to the contact centre and make the appointment with the financial assessor. Despite this, our evidence suggests that limited resources available for these options means that in practice the alternative is not a real one:

In the autumn of 2005, Yorkshire Citizens Advice Bureaux were told by Jobcentre Plus staff at a liaison meeting that staff were making face-to-face arrangements for some clients, where it was obvious that phone applications were impossible. Unfortunately it was made clear that it was in no-one’s job description to do this. Changes in resources have reduced the size of the teams taking responsibility for face-to-face contact, and increased staff numbers in contact centres, emphasising the shift in resources.

17. In evidence to this Committee, Lesley Strathie agreed that in trying to change claimant and staff behaviour, there had been an over-emphasis on telephone based claims, at the expense of alternatives such as face-to-face contact for people who find claiming by telephone problematic. This recognition is valuable, and echoes the evidence we receive from bureaux, but it will need to result in changes to Jobcentre Plus operating procedures to prevent continuing detriment to claimants. We hope that this will be fully addressed in the forthcoming updated version of the Standard Operating Model.

18. Completion of paper claim forms is now Jobcentre Plus’s least favoured option. Manually inputting the data from forms is also resource intensive. Jobcentre Plus may in any case insist on calling the claimant, or their representative, to capture all the necessary information on CMS. Bureaux continue to report problems getting paper forms, even when clients clearly have no alternatives. For example, homeless clients are unlikely to have reliable access to a phone, and it is even less likely that this will be confidential.

19. Jobcentre Plus offices have also refused to accept completed forms, even when they have been downloaded from their own website. Bureaux report a widespread, if incorrect, belief amongst Jobcentre Plus staff that it is no longer possible to complete paper forms. It is in fact unlawful not to allow claimants to submit paper claims, especially when they have no other alternative.

An adviser in a South Yorkshire bureau waited 20 minutes to get through to Jobcentre Plus to register a claim for a patient on a psychiatric ward, and was then told there was no longer a system for dealing with paper claims.

In September a disabled client (Ripon) who found the phone very difficult to use was refused a paper claim form. Jobcentre Plus insisted on the application being made by phone, although they did finally agree to her mother helping her. The client was totally disheartened by this experience and did not reapply for IB. She had no money, other than a small award of DLA, to live on and had to depend on her parents for support.

86 Work and Pensions Committee unpublished transcript, 9.11.05.
87 Social Security (Claims and Payments) Regulations, Reg. 4.
Availability of interpreters

20. The Jobcentre Plus charter states, “If you need an interview, you can use your own interpreter or, if you prefer, we can arrange an interpreter. We aim to arrange this within one working day. The interview will be as soon as possible.” Bureaux report that this is often not the case.

A refugee client (Bristol) was told he had to make his benefit claim over the phone. The client spoke very limited English and so struggled to understand what the adviser was saying. The bureau found an appointment had been made for the client to be called by an interpreter in three weeks time. They were able to negotiate bringing this forward by two weeks.

On calling to claim benefit, another client (Bristol) was told to ring back with someone who speaks English. An interpreter was only offered after the CAB adviser insisted.

21. The failure of Jobcentre Plus to provide adequate alternatives to telephone claiming to claimants who cannot use this method might be considered discrimination against people with disabilities.

A bureau in the Midlands phoned the contact centre to ask how a deaf client should make a claim for income support. It took the adviser 10 minutes to find the number for their textphone, and then she said that there were only two people in the office who knew how it worked. This turned out to be of little consequence as the machine itself was not broken.

Problems getting through

22. The Jobcentre Plus charter states “When you phone us or use a textphone, we aim to answer your call within 30 seconds. We will ring you back if you ask us to”. Across the country, as the new procedures have been rolled out, bureaux have reported problems getting through on the phone. These problems were recognised as particularly severe over the summer of 2005. In evidence to the Work and Pensions Committee, the Jobcentre Plus Chief Executive acknowledged that they had experienced particular problems in six of their 26 call centres. Bureaux across the country, in all areas where CMS has been rolled out, have reported long delays in getting through on the telephone. These problems have continued into the autumn and winter.

A (Chichester and District) woman experienced immense difficulty getting through to the new claims line in September, as the line was always busy. She spent two days ringing every half hour until she got through.

For two weeks in September, a man who had suffered a stroke tried repeatedly to get through to claim benefit. The bureau was told by Jobcentre Plus that the average waiting time was between 20 and 60 minutes. It was suggested that the client use the warm phone at the Jobcentre Plus office but because of his disability he was unable to get there. The client found the situation increasingly distressing and had been warned by his doctor that stress would make his condition worse.

A CAB (East Grinstead) reported in September that they saw numerous clients unable to get through to the contact centre to make a benefit claim, causing real financial problems. The nearest jobcentre plus office is a 20-mile round trip, which is impossible for some clients. Even if clients do make the trip, they are simply told to use the warm phones available at the office. They still face the problem of getting through on these phones. Some clients were unable to get through to the jobcentre after nearly a week of trying, others ran out of money to phone. The bureau complained about the unacceptable service.

A CAB (Bognor Regis) reported that a client had experienced immense difficulty getting through to the contact centre to make a claim for incapacity benefit in October, despite repeated and prolonged attempts.

23. Claimants have experienced severe delays at every stage in the three-stage claim process and in two of the worst affected areas (Sheffield and Lowestoft) the full process was abandoned over the summer and old procedures (paper claims) were reinstated.

24. As at October 2005, nine contact centres (Derby, Coventry, Sheffield, Lowestoft, Poole, Pembroke Dock, Hastings, Lincoln and Torquay) have all been using some clerical processes, “to streamline business processes whilst going through this transitional period”. Plans are in progress to reintroduce the non-clerical process to these centres during the course of the operational year. We are disappointed by the apparent lack of contingency plans to deal with problems that have arisen with these contact centres.

A client in the south-west had to make a new claim for IS and IB when his old claim stopped unexpectedly. It took him 15 minutes to get through to Jobcentre Plus on the phone. The adviser took the client’s details, but failed to ask him about any other benefits such as Disability Living Allowance. He was advised that the next available date for the outbound call was over a month later, at a non-specified time in the morning. He was told that once the call was completed, he
would be sent the forms to check, sign and return, and then he would need to attend a work-focused interview and possibly a medical. This could mean a wait for benefit of between 10 and 12 weeks. The bureau pointed out that the process would have been much shorter if they had been able to obtain a paper form for this client.

25. Despite assurances to the contrary, bureaux across the CMS roll-out areas continue to report problems. The cause of many of these problems appears to be lack of staff capacity at contact centres, and insufficient training. In evidence to this Committee, Kevin Bone, Chief Operating Officer of Jobcentre Plus, acknowledged that some contact centre staff have been redeployed from other areas of DWP, rather than because they have training or aptitude for call centre work.

26. Trying to get through on the telephone can be costly and is proving a very real barrier to callers. Moving to telephone claims has presented real problems for people on restricted incomes and those who have access only to costly mobile phones or phones with limited services. This needs to be taken into account.

In October 2005, a woman contacted a CAB because she was having difficulty making a claim for income support, because she could not use her mobile phone for outgoing calls and had no other telephone. The bureau asked if the contact centre would call the client on her phone, but was told that this was absolutely not possible.

A bureau in the east of England (Gt Yarmouth) reported that their client used up £8 phone credit calling the Jobcentre Plus call centre, without success. The client only got through to a recorded message telling him that the line was “too busy” and asking him to “call back later”.

27. Telephone claiming is saving DWP money, but it is reducing the efficiency for many claimants and costing them money. The service targets set by DWP assume that all claimants will be able to cope with, and afford to pay for, a 20 minute outbound call. We do not believe this is realistic, and we suggest that it would be better to provide a freephone service.

Delays in receiving the call back

28. Even once they have successfully made the initial call, CAB clients are experiencing further delays in receiving their outbound call or “call back”. This is the longer interview in which the client is required to provide lengthy and detailed information—essentially to complete a long claim form over the phone. An appointment for the third part of the process—an interview with a financial assessor and/or a personal adviser cannot be made until this part of the process has been completed. Many of these delays place unacceptable financial strains on claimants. Jobcentre Plus targets are that claimants should receive their outbound call, or “call back”, within 24 hours of making their initial call, or sooner in some cases. This is not the experience of bureaux or their clients.

After initial difficulties getting through, a woman managed to make the initial claim but the call back arranged for three days later—a Friday—did not happen. On the Monday she was again unable to get through. She only had a mobile phone and had to spend lots of money on hold for long periods of time. The bureau called on her behalf were kept waiting for 30 minutes and then cut off.

A bureau in Surrey reported that several clients had been told that it would be two weeks before they received their call back to complete their claim. One client had tried to claim JSA but after two hours trying to get through on the phone gave up distressed and came into the bureau. The bureau did manage to get through but were advised that the call back would not be for another two weeks.

A Gloucestershire man (Cirencester) was told that he would only receive his outbound call two weeks after his initial call. His appointment at the jobcentre plus office was arranged for a week after that. The client had no money and said that he had not eaten properly for days.

Introduction of e-services

29. Jobcentre Plus is introducing an e-service for people making initial claims for IB, IS and JSA, from early in 2006. Claimants will be able to make their initial contact with Jobcentre Plus via a form on the website, rather than by phone, and this data will then be entered into CMS. This is a welcome addition to the range of methods available for claiming these benefits and could potentially reduce the current pressure on call centres.

30. Citizens Advice has raised concerns, however, that this may merely transfer delays from the inbound to the outbound call, or to the appointment with the personal adviser and/or financial assessor. Currently, demand for outbound calls is “managed” by the inability of claimants to get through on the phone to register their claim. If the e-service option proves popular, clients will not receive an engaged tone—their forms will be sent directly to Jobcentre Plus and sufficient resources will need to be directed into these parts of the system to ensure that claimants do not suffer the same delays, or even greater, than are currently being experienced.

89 Work and Pensions Committee, Evidence session with Jobcentre Plus, 9.11.05.
Problems with the CMS IT System

31. From the outset, DWP has acknowledged that it is heavily dependent on improved IT and telephone claiming to deliver efficiency savings. The timetabling of staff cuts also appears to have been based on new IT systems being ready on time and fully functional. The IT systems have not delivered an effective service.

32. In our evidence to the Work and Pensions Committee on child support reforms, in June 2004, we urged that no staff cuts should be made until IT problems affecting the child support system had been resolved. This was accepted by DWP. We believe the same criterion should be applied to staff cuts in Jobcentre Plus. It is not acceptable to press ahead with reductions in staff at the expense of the quality of service delivery, which in CAB experience has historically been poor. The pace of staff cuts should be reduced until the problems with CMS and contact centres have been resolved.

33. IT problems have meant that in some cases clients have arrived at the Jobcentre Plus office for an interview with their personal adviser to find that the appointment has not been booked, or that the data given over the phone had disappeared from the form.

One woman’s call back interview took one hour and 40 minutes but when she went in for her face-to-face interview to go through the paperwork she was told that all the details on the computer had been lost and would have to be re-entered. The client had been told that she’d receive payments within three days of her claim, but three weeks later she was running out of money.

A CAB in Wales (Cynon Valley) reported the case of a client who phoned Jobcentre Plus to ask for an application form for income support. A member of staff offered to complete an application over the phone and asked all the relevant questions. When the client received a print out of the application in the post to check, none of the information she had given had been recorded, and she had to go through the whole application form again. The client found the form very confusing despite being an educated and literate person. She had to call the jobcentre for help. The client said she had spent five days making repeated phone calls before her claim was eventually sorted.

A woman escaping a violent relationship (mid Derbyshire) made a telephone application for income support in mid-September. Ten days after her second phone interview the papers had still not arrived. A CAB adviser tried to call the jobcentre to investigate but was unable to get through. The client left and said she would continue trying, but after many failed attempts, called the Jobcentre Plus office direct. They sent her a new set of paper forms to complete. The original forms eventually arrived on 30 September. Her local Jobcentre Plus told her to ignore those and continue with the latest ones. This would affect her date of claim and lose the client benefit income.

The phone claiming system has broken down in some cases, causing further delay. One bureau described how their client had asked for copies of forms, to be told that there was a new system. The client phoned to make a claim for benefit, but after completing the forms in a lengthy call, the system crashed. The client was sent paper copies of the forms she had asked for three weeks earlier.

Pressure on Social Fund Crisis Loans resulting from CMS problems

34. Many bureaux report that clients have been left with no alternative but to apply for a crisis loan when faced with long delays waiting for their benefit claim to be processed. At this point they often have no other money to feed their children or pay their rent or meet other essential expenses.

35. In our 2002 report, Unfair and Underfunded: CAB evidence on what is wrong with the Social Fund, we urged that crisis loans should not be used to support delays in making decisions on applications for Income Support and other benefits. 36% of spending went on “alignment payments” to people without money who have made a claim for benefit. The Social Fund is cash-limited and this money is therefore not available for other people in need of an emergency loan.

The Social Fund and the Call Centre Model

36. Many of the problems associated with the predominant use of the call centre model, as described above, apply equally to claimant’s access to the Social Fund, and Crisis Loans in particular. We are very concerned that delays in applying for primary benefits through CMS have created additional pressures on the already struggling telephone application system for crisis loans. In his Annual Report for 2004/05, the Social Fund Commissioner commented that the Independent Review Service first identified that there was a problem with telephone access to the Social Fund, and for Crisis Loans in particular, when, unexpectedly, the number of applications to the IRS for independent reviews went down by 50%.90

37. In his 2003–04 report, the Commissioner noted that applications for help with living expenses had reduced by 22.5% compared to the previous year, and expressed his concern that this was related to the introduction of telephone applications, which was making it difficult for people to access the social fund scheme. Applications for 2004–05 have been even more reduced, by a further 36% on the year before.

Although there is no direct causal link, the Commissioner believes that the downward trend has coincided with the change to a predominantly telephone-based model, and his receiving mounting complaints as to the barriers faced. This, he suggests, must be “a cause for concern”.

38. As with other contact centre models, the initial problem is one of a lack of alternatives to the telephone—either for people who are unable to use the phone, or as an alternative to long waits caused by a lack of capacity.

A woman had her claim for IB turned down and was told to claim JSA and a crisis loan while she appealed. Her local Jobcentre Plus office told her that she could not phone the crisis loan line from their office, and visited the bureau because she had no phone. The adviser spent 15 minutes trying to get through with no success.

A man was dismissed from his job and had to apply for JSA. He had managed to get through to Jobcentre Plus but was told that there would be a long wait for an appointment to complete his claim. He had no money to live on in the meantime and tried to apply for a crisis loan to tide him over, but the phone lines were constantly engaged.

39. Similar complaints have been sent to the Social Fund Commissioner, who tested their validity over a three-week period. Of 428 calls made, a shockingly low 22.9% were answered immediately. The rest all received an engaged tone, were placed in a queue, the line went dead, there was no reply, the office was closed, or were advised to try again later. As the Commissioner suggested, there is “an urgent need for the department to ensure ready access to the fund, whether by telephone, in writing or in person”. Bureaux are seeing people who are penniless, but neither the client nor the bureau can get through on the phone to claim a crisis loan. This is not acceptable.

A homeless client visited a bureau in North Yorkshire (Keighley) requesting help in contacting his local DWP for a crisis loan. He had no access to a telephone and had no money. The only way to make contact with the Social Fund was by phone, or by travelling to Bradford, both of which require money.

The bureau also reported similar difficulties experienced by another client. He too was homeless and had no money and visited the bureau for help making a phone call for a crisis loan. It took 10 minutes to get through and then he was cut off. Eventually, the client walked the eight miles to the nearest Jobcentre Plus office. He returned to the bureau to say that he had been advised to stand outside a certain phone box at 11am and he would receive a decision by telephone. He waited 25 minutes but no call came, and he returned to the bureau in desperation. The bureau reports that they have heard of people waiting up to three hours outside public phone boxes for decisions.

2. IMPACT ON BUREAUX SERVICES AND THE NEED FOR GOOD LIASON

40. Centralisation of processes and general reorganisation has meant many bureaux have found resolving their clients’ problems has taken much longer. Bureaux have frequently been kept in the dark about changes to processing arrangements and the lists of contact numbers and names they used to resolve client problems are no longer valid. In this respect, the efficiency programme has made it more difficult for third party intermediaries such as CAB to resolve queries.

Impact on Bureau Services

41. Bureaux often need to call different sections of Jobcentre Plus to help chase delays in processing of benefit claims and to assist in resolving complex claims. Advisers report spending longer than necessary with each individual as they now have to establish the correct contact details to resolve different aspects of cases. This is particularly difficult when contact details are changing regularly.

A client living in Orpington wrote to the local Jobcentre when she found she was no longer eligible for income support. She received no reply. She came to the CAB, who found via an internet search that the Woolwich office was closed, apparently for refurbishment. Claimants were advised to contact Orpington or Lewisham, but Orpington did not deal with income support. The client was told to contact Bromley, but they did not deal with income support either, and referred the client to Stratford, whose phone line was engaged.

A bureau in Buckinghamshire had great difficulty finding the right phone numbers to contact their local Jobcentre Plus office. The office had been “reorganised” a number of times and none of the bureau’s numbers were up to date. In the meantime, they had been unable to assist clients with their claims for basic income benefits, and crisis loans. Eventually, contact was made at a national level, and up-to-date contact details for each benefit were provided, together with assurances that the bureau would be told if the numbers changed again.

The same bureau had, in the past, received a useful quarterly newsletter from their local Benefits Agency, as it was then, in advance of their once regular liaison meetings. This included comprehensive contact details for each benefit processing section, and information about local initiatives.
42. Trying to get through to call centres on behalf of clients also puts pressure on valuable bureaux resources.

A bureau in the north of England reported concerns that clients who are unable to use the phone are being told to go to their local Citizens Advice Bureaux. They are concerned that bureaux seem to be expected to have the capacity to help clients with phone calls of 20 minutes plus, particularly in busy outreach settings.

A bureau in Greater Manchester (Stockport) reported growing concerns that clients are routinely referred to bureaux for help contacting the Social Fund by telephone, if they do not have access to a phone of their own. Their client made the initial call from the bureau and was told to expect the decision by a return call—either to the bureau or a designated phonebox in the town-shopping precinct. The bureau had to keep the phone free so that the call could be received and provide a facility for the client to speak to the DWP. This caused considerable inconvenience to the bureau, and would have been impossible had it been a particularly busy time with a full waiting room.

43. Bureaux continue to report clients who are being refused help from Jobcentre Plus to complete claim forms and being referred to them instead. This is a longstanding problem, but there are signs that the emphasis on phone claims has made matters worse. The Jobcentre Plus Customer Charter promises that “we will also offer additional support if you need it, such as . . . helping filling in forms for Jobcentre Plus”. Bureaux and clients frequently find this to be an empty promise.

A man with mental health problems went to a Jobcentre in the North East to claim incapacity benefit. He was told he could only claim income support. He asked for help filling in the forms, but was told that the Jobcentre had neither the time nor the staff, and sent him to the CAB.

Oldham CAB told us that the Jobcentre Plus office was continually sending people to the bureau for help completing forms. The bureau pointed out that it often did not have sufficient advisers available to provide the help needed, and that this caused embarrassment, and meant that people could lose money through not getting their claim completed.

44. Telephone claiming has been promoted as making it easier for claimants with literacy problems to claim a benefit. However, claimants still receive a print out of their claim which they are expected to check, sign and return to Jobcentre Plus before the claim is complete.

45. Citizens Advice has raised concerns about the problems encountered by bureaux in helping vulnerable clients to complete the claim process which now involves three stages—the inbound and outbound calls and checking the paperwork before attending the interview with the financial assessor and personal adviser. Whilst this process should be complete and the claim in payment within 12 days for IS and JSA claimants bureaux report claimants having to wait two weeks for the call back. Currently bureaux can only help the client with the basics of the claim given in the initial call to the contact centre. Bureaux cannot keep an adviser and an interview room free to await the call back from the contact centre for the completion of the longer telephone interview.

A man needed to claim JSA. As he had no telephone he used the CAB phone to make his initial call. For the call back he was fortunate to be able to give his parents number and be at their house to receive the call. Other claimants may not have this option. (Cardigan)

46. We Recommend the Introduction of a Process that Would Enable Bureaux, and Other Third Party Advisers, to Complete the Claim in one go, and if Necessary when the Client is not Present. We Would Welcome Further Discussion with Jobcentre Plus about this.

The need for good liaison

47. The importance of good liaison is formally recognised by Jobcentre Plus nationally and, in September 2004, they published a guide to working together, produced jointly with Citizens Advice. The aim was to promote to local offices the benefits of our two organisations working more closely together. It lists the advantages of being able to communicate service delivery changes and to receive feedback quickly on service delivery problems experienced by CAB clients.

48. Jobcentre Plus is expected to consult at a district level with its stakeholders on how new Jobcentre Plus services will be rolled out in their areas. This consultation will include outlining draft plans for use of offices and any planned closures. The liaison guide recognises that bureaux are an integral part of the planning process on changes to local service delivery, for example, rollout of new Jobcentre Plus offices, reorganisation and centralisation. During times of transition liaison is crucial if bureaux are to be able to continue to assist claimants. Bureaux can assist Jobcentre Plus by quickly picking up teething problems in their communication with claimants.
49. In areas where CMS has failed to provide an adequate service, good links between bureaux and Jobcentres have allowed for early discussion of problems and the need for contingency arrangements, helping to ensure that clients are not disadvantaged.

A bureau in the North of England experienced a catalogue of problems with the new contact centre/CMS model when it was rolled out in their area. It was amongst the areas acknowledged to have suffered the worst problems. The bureau managed to maintain a dialogue, via regular liaison meetings, with their local Jobcentre Plus office, and agreed a protocol which enabled them to contact the relevant part of Jobcentre Plus directly in order to resolve the most urgent problems.

50. Many bureaux have reported a particular problem with local liaison during the changes to Jobcentre Plus service provision. Changes mean that the need for liaison is even greater. It is important that dialogue is maintained and contact numbers kept up to date.

51. The DWP modernisation programme includes the introduction of e-services aimed at delivering efficiency savings. Citizens Advice has, since 2002–03, been suggesting that CAB advisers should be afforded “trusted intermediary” status, and work undertaken to determine the feasibility of allowing CAB advisers to gain secure and confidential access to claimant benefit accounts held on DWP systems. As far as we are aware there has been no work undertaken towards this goal, other than recognition that the proposal has merit and would need further work to make it a reality. DWP IT systems may at present limit the technical capability to deliver a full solution. Nevertheless we believe a programme of this kind would enable CAB advisers and Jobcentre Plus to work together more closely and would deliver considerable efficiency savings.

3. IMPACT OF OFFICE CLOSURES

52. Whilst the closure of some offices was expected as part of the merger of the Benefits Agency and Employment Service, further centralisation has meant that many claimants now have further to travel to their “local” office. Claiming benefit over the telephone does not remove the need for claimants to visit an office. Most benefit claimants will need to visit offices to complete their claims with financial assessors and/ or personal advisers. Clients who are do not have a phone, or cannot afford to pay for outgoing calls, will need to use the “warm phones” in Jobcentre Plus offices to make an initial claim. Those who cannot use the phone will need the assistance of an adviser to help with their claim face-to-face. Many claimants will be required to attend work-focused interviews, and job search activities.

53. Travelling further is particularly problematic for clients who are ill, disabled or elderly, have small children or cannot afford to pay for travel, especially in rural areas with limited and/or costly public transport. Discretionary help is available to help pay for travel costs for those attending Jobcentres, but bureaux report that clients are not always told about the help that is available.

In Chard in Somerset, the local Jobcentre has reduced services and opening hours. A lone mother whose only income was £17 child benefit had to travel 17 miles to Taunton for a benefit interview. She was also told that there were no appointments for crisis loans that day, and she would have to return, by bus, the next day.

In Suffolk, jobseekers allowance claims are referred to Ipswich. This is a journey of 14 miles for clients in Stowmarket. A man was told he could ring for an appointment but would not be seen for six weeks, and could apply for a crisis loan.

In Tottenham, a client with breast cancer had applied for income support in June 2005. The local office was closed and cases transferred to Stratford. The client could not get through by phone, and was too ill to go to the Jobcentre. She was living off money given to her by friends.

Eden CAB in Lancashire told us that work-focused interviews have been withdrawn in Penrith. People now have to travel to Carlisle, which involves a 40 minute journey. This causes particular problems for people on low incomes in areas with limited travel services. One of the bureau’s clients had particular problems. A disabled woman who cannot walk far had to go to Carlisle for a work-focused interview. There was no nearby car-parking, and although the client had asked for the interview to be conducted on the ground floor, the Jobcentre had forgotten about the request.

Clients also report that looking for job vacancies is made more difficult because of efficiency closures. The closure of St Neots Jobcentre in Cambridgeshire, for example, means that clients have to travel to Huntingdon, if they cannot access web services, and may find it difficult to drop into the Jobcentre to look for jobs.

4. PERSONAL ADVISERS AND EMPLOYMENT AND TRAINING SCHEMES

Capacity and Role of Personal Advisers

54. Personal Advisers play an important role in advising and assisting claimants to take up opportunities for training programmes or to return direct to work. In comparison with the volumes of evidence we receive on benefit problems, we receive relatively little evidence about claimant’s experiences of employment and training schemes and personal advisers. Our evidence fits broadly into two categories: benefit problems resulting from changes in benefit status when moving on and off specific training programmes and in and
out of work; and inappropriate use of discretion in encouraging or pressurising claimants to take up employment or training opportunities unsuitable for the claimants’ needs. A bad experience can have a serious impact on a claimant’s confidence to return to work in the longer term.

55. Clients experience problems when changing their benefit status at the end of their period of training. On completing an IT course, one man needed to change his claim back to JSACrawley. Despite several attempts to contact the Jobcentre Plus his calls were never answered and his jobseekers allowance was stopped. As a result he and his family faced extreme financial hardship and were having to go to the local mosque everyday for their meals.

A lone parent was advised by a lone parent adviser to take a training course. The client had to leave the course as she could not cope with it. Her personal adviser was not able to see her to help her with the transition and she subsequently got into problems with housing benefit, later facing possession action. (South Gloucestershire)

A man started work at a local petrol station through the New Deal for Disabled People. (Faversham) He told the CAB that his personal adviser had wrongly informed him that his job would not affect his benefits. When he started working 40 hours per week, his personal adviser had not passed the information on to the benefits section at Jobcentre Plus, resulting in an overpayment of income support. As this was a result of official error he did not have to pay it back. He was also still receiving severe disability allowance although working full time. The client’s mother stated that the personal adviser specifically advised her that he could carry on claiming it.

56. The role of the personal adviser is to provide “individually tailored support” to clients to support them into work. The best support will take account of the claimants’ skills, abilities and interests.

Having initially helped a family with serious debt problems, four years later the bureau described their client’s case as a “brilliant example of a DWP scheme that had really helped a family.” After being unemployed for two years he had initially received help with basic skills, in particular his English. More recently, through New Deal for over 25s, he had been given the opportunity to start a business without losing his benefits. He had a joint business account with the DWP and is not able to make withdrawals. Six months later he is close to being able to go it alone. Guildford

57. We are concerned, therefore, to hear cases of poor use of discretion and an apparent lack of understanding on the part of personal advisers of a clients’ situation.

Warrington A personal adviser told a client that he must attend training in Manchester or his benefit would stop. A condition of the client’s release from prison was that he stayed out of Manchester. His probation officer has confirmed the situation with jobcentre but they have ignored it. The client has also reported receiving conflicting information as one adviser said there would be no problems with him studying and working 15 hours a week, and another said the client must be prepared to give up course of employment becomes available.

58. Training and employment courses can provide an essential stepping-stone into work, filling skills gaps and providing an important source of confidence and self-esteem. Poor quality training that is poorly suited to the individual serves to reinforce frustration, decrease enthusiasm and increase financial hardship when sanctions result from non-compliance.

One man with a background of skilled employment wrote to us about his disappointment that he and other colleagues experienced with a Jobcentre Plus commissioned course. Following a period of unemployment and incapacity brought about by back strain, he was told he need to go on a course or risk loss of his benefits. He had reluctantly agreed to go on the course but did not feel that it would be appropriate to his needs. The first week was very general and participants with very diverse backgrounds and problems. He described the lectures on the importance of honesty in the workplace as offensive, the conditions as cramped and supervisors as overstretched and unsympathetic to individual needs. Work placement options were limited. After getting no response to his first application he was told he’d have to get his experience working in a charity shop.

A (North Devon District) man with learning difficulties was put on the New Deal programme. He was unable to complete his training as he found it too difficult to cope with the computer. As a result his benefits were stopped and he’d not received any for several months. The experience knocked his confidence about returning to work or training again.

59. The Pathways to Work pilots have demonstrated the importance of Personal Advisers in helping sick and disabled people back into work. In our evidence to this Committee’s Inquiry into Pathways to Work and the reform of incapacity benefits in October 2005, we expressed concerns that there has been no evaluation of the long-term sustainability of the jobs that disabled people have been helped to find through the programme. It would be helpful to know how many people placed in work through the scheme are still in those jobs six months on and, if they are not, where they are now. Continued support following placements increases the sustainability of employment, ironing out problems and tackling emerging difficulties, as demonstrated by the success of projects such as Tomorrow’s People.
60. DWP’s own research\(^{91}\) suggests that, despite investment in training, Personal Advisers feel least equipped to work with people who have mental health problems, a group who make up at least 40% of the IB caseload. It is crucial that Personal Advisers’ knowledge and experience of mental ill-health, and other conditions and disabilities, is sufficient to enable them to have the confidence to work appropriately and supportively with individual clients. Some advisers also reported worrying tensions between the perceived need to support clients, irrespective of the final outcome, and targets for getting IB recipients into work.\(^{92}\)

61. In addition, the Personal Adviser research suggests that there is a danger that increasing the weight placed on early job entry targets in the future might lead them to focus on the ‘quick wins’ versus those who really benefit from the pilots. Reported rates of progression, particularly for those considered to be “furthest from work”, appear to differ between personal advisers. In particular, there are variations in the extent to which personal advisers are willing to persist with more “difficult” customers, and feel they have the skills, ability and “permission” from managers to do so.

62. We are concerned that Jobcentre Plus targets focus solely on getting people into jobs. For some people, this is unlikely to be a realistic possibility, especially where there are limited jobs in a locality. We believe that it is equally, if not more, important that advisers are able to measure and given recognition for the “distance travelled” towards finding employment by each claimant.

63. Resources must ensure that personal advisers can offer an individually tailored approach and are able to place claimants on courses appropriate to their needs.

64. The Rt Hon Alan Johnson MP, when Secretary of State, made a commitment that reforms to incapacity benefits would not be implemented until the Pathways to Work programme had been rolled out across the whole country. Although popular and apparently successful, the pilots have been hugely resource intensive and have worked mostly with those people who are nearest to the job market. The programme has yet to start work with those claimants who have never worked, or been away from the labour market for some time.

65. Currently, funding has only been made available to cover one-third of the claimant population. We are concerned that reforms to incapacity benefits might be introduced before Pathways to Work has been rolled out across the whole country, and that it will not be possible to deliver the sustained support from personal advisers needed to make the reforms work properly. The delivery of the whole package of support, across the country, is vital if disabled people, and those with health conditions, are to be helped to return to work.

Katie Lane
December 2005

Memorandum submitted anonymously

JOBCENTRE PLUS

I would like to state at the outset that I am requesting that this information is treated in confidence. I have no doubts that were my Senior Managers to be made aware of my comments; my job would be at risk. I work in an area undergoing major reorganisation and fear that I could be declared “surplus”. It should also be noted that I am obviously only able to comment on my experiences in one area of the Country and am not privy to statistical information to back my viewpoint. That said, I am aware that a number of colleagues are likeminded.

1. INTRODUCTION

I have been a Civil Servant for nearly 30 years, starting work in what was formally the Department of Health and Social Security [DHSS]. My work has always been “benefit” based during my career, initially dealing with Supplementary Benefit/Income Support and latterly with Invalidity/Incacity Benefits. I have worked in a number of different job roles including those of Receptionist, Counter Interviewer, Benefit Processor, Visiting Officer, Section Supervisor [team leader], Overpayments Decision Maker and Business Case Officer. For the last 15 years I have been an Appeals Officer/Decision Maker.

2. BEFORE JOBCENTRE PLUS

The Benefit system is steeped in complex legislation. Prior to Jobcentre Plus new entrants joining the Benefits Agency (formally DHSS) were given 13 weeks training in the one benefit they were to be processing. Training would be followed by a lengthy period of consolidation working alongside more experienced colleagues. This was necessary to understand the complexities of, and become efficient in, dealing with just

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\(^{91}\) DWP (2005) Incapacity Benefit Reforms, the personal adviser role and practices, Stage 2.

\(^{92}\) Ibid.
one benefit, although knowledge of other benefits obviously formed an integral part of that initial training. Most adhered to the principle that an officer was not fully effective for a further year after training—in one benefit. Decision Makers, such as me, underwent additional specific training in the Law.

Generally the most experienced staff would be used in frontline roles and Local Offices dealt with customers from the immediate locality performing, at one time, all the procedures necessary to take and process a claim for benefit. This has changed somewhat over the years with the introduction of the Child Support Agency, Tax Credits and a centralised Debt Recovery Centre—all of which I consider to be detrimental to Customer Service and efficiency.

3. JOBCENTRE PLUS

Jobcentre Plus (JC+) attempted to join together two organisations with very different backgrounds. The Benefits Agency (BA) with a long history of very formalised procedures to ensure, as far as possible, that any decision made was supported in law, benefit was paid correctly and timeously, customers could rely on receiving accurate advice and information and the potential for fraud—both internally and externally—was kept to a minimum. The main task of the Employment Services (ES) was to liaise with employers with the aim of helping people into work.

Jobcentre Plus created a host of front line advisor roles designed to merge the old BA information gathering function, necessary to process a claim and advise on benefits, with that of the old ES function of helping people into work. Training for these roles was grossly inadequate, a concern raised at the outset by many former BA staff. This has resulted, in my opinion, in providing an inferior service to the public and a lowering of staff morale, especially amongst former BA staff with any length of service who are witnessing the inaccurate and inefficient delivery of a benefit system which generally worked well. Staff with many years experience have left the Service since the inception of, and as a direct result of, Jobcentre Plus policies, thus reducing expertise further.

Decision Making is another area of work now done in many cases by officers who have had little or no training other than “sitting in” with an experienced Decision Maker for a few days.

As an Appeals Officer I am in the position of seeing the “end result” of inadequate training and, given 15 years in this particular discipline, am able to make a direct comparison of “life before JC+” and “life after JC+”. I find I am dealing with a growing number of cases where I have to change decisions prior to an appeal hearing. This can be because the decision cannot be substantiated in law or the evidence used to make the decision has not been recorded or retained. The incidence of this has increased since JC+ and, I believe as a direct result of inadequate training. It has also transpired on a more regular basis since JC+ that cases which do go to Tribunal involve situations where the appellant has acted on incorrect Departmental advice. In some instances this has had disastrous consequence for the customer who may have lost title to benefit and is unable to regain that title.

I find I can no longer assure an appeal Tribunal that correct procedures will almost certainly have been adhered to because I have little confidence that they have.

My local area is undergoing the centralisation of Benefit Processing. The Benefit Processing Centre (BPC) will ultimately no longer deal with customers from the immediate locality and work is currently being done over a number of different sites. This makes trying to answer any queries, track claims or retrieve paperwork nigh impossible in addition to which the loss of local knowledge in processing claims is one more factor in offering a sub standard service.

The Government has spent a considerable sum of money on joining us together and “branding” Jobcentre Plus only to realise that in fact we operate much more effectively as separate entities and are now pursuing what is, in all but name, a “split” into “benefit processing” and “jobseeking”! In essence it has been a complete waste of tax payers’ money.

4. CMS AND CONTACT CENTRES

I do not accept that the problems experienced so far are “teething” problems or that it will get better. While many large organisations are moving away from Contact Centres, the DWP is promoting a system which is far from “customer friendly” and which has resulted in inordinate delays in getting claims processed. Offices now find themselves in the position of having to make Interim payments to customers because CMS cannot deliver—almost unheard of prior to the introduction of CMS. An added concern is that there has been no tie-up with existing legislation on issues such as the “date of claim” which is resulting in a loss of benefit for customers who either cannot get through to the Contact Centre in the first place or where an appointment for an interview is delayed due to various constraints. Contact Centre staff will sometimes deter customers from making a claim where it is considered unlikely to succeed. This is placing themselves in the role of “decision maker” without the necessary expertise and denying the customer the right of appeal against an adverse decision. Instances have arisen where the advice that a claim will not succeed has been based on a misinterpretation of the facts and customers have unnecessarily delayed making a claim and then been unable to have it backdated.
In my opinion, every customer should be able to walk into their local office, make a claim for benefit and have it processed with accuracy and expediency.

This is not the case with CMS. The very nature of the process builds in delays in processing a claim. The amount of information needed to process a claim to benefit has changed little in 30 years and what used to be captured on one sheet of A4 paper by a fully and adequately trained interviewing officer in 25-30 minutes, now requires, in many cases, the customer phoning a contact centre, waiting for a call back, a lengthy telephone interview followed by an office interview before anyone can start to process the claim. The more steps incorporated in any system the greater the potential for error and the more people necessary in the chain to process a claim the more expensive it must become.

5. PERSONAL ADVISORS (PAS)

In my experience the majority of PAs tend to be former ES staff with little or no benefit background. Serious errors are being made on a regular basis in the advice given to customers. In particular in the complex area of Incapacity Benefit and “working”, despite regular feedback on this issue. Customers who have seen a PA and discussed work leave the office with the impression that work has been “sanctioned” if it is within permitted limits. This is not the case and at a later date the customer can find themselves overpaid benefit and disentitled. Simple procedures such as date stamping post and recording a customers visits to an office are not undertaken because, without a benefit background or any in depth training, the importance of such actions is not fully understood.

6. CONCLUSION

The current system does not provide a good customer service and is detrimental to staff morale. Inadequate training throughout the department, despite platitudes from Senior Management, leads to inaccuracies in dealing with claims and when advising people. The IT is not up to dealing with a complex benefit system. Too often systems are changed or new legislation is brought in with no regard to existing legislation which may be a direct contradiction. Dealing with customers mainly by ‘phone is impersonal, ineffective and open to abuse.

7. SOLUTIONS

The Government need to accept that you get what you pay for. To deliver benefits accurately relies on adequate resourcing. As a recipient of Child Tax Credits and experiencing first hand the appalling service I have received, I can foresee that the administration and delivery of benefits is following the same path. Unless people are going to be trained properly, the “IT” is up to it and sufficient staff are in place to deliver the service face to face where necessary, no system will work efficiently or cost effectively.

5 December 2005

Supplementary memorandum submitted by the Association of Learning Providers

LABOUR AS WELL AS SKILLS SHORTAGE

With official unemployment rates at levels that traditionally have been recognised as “full employment”, the UK has entered a rare stage where the risk to continued economic prosperity can be described not only by skills shortage, but also by labour shortage. There has been a growing and highly publicised priority given to skill development over recent years, but a complementary strategy that has not attracted a similar level of attention and recognition is the desire to raise the national activity rate (those of working age who are in employment) up to an unprecedented 80%.

This second objective, linked with the first, has contributed to an economically inspired increase in immigration, especially from the enlarged EU community. International pressure on the rich countries not to poach the skilled workers from developing countries will soon put a brake on this source of labour.

GETTING THE INDIGENOUS POPULATION BACK TO WORK

Only recently has attention started to focus on the numbers of non-employed within the domestic population. Groups now being targeted to get back into the employment market include:

— the “long-term” unemployed (generally a “hard to place” group when unemployment rates are low);
— those on incapacity benefit— by definition a very hard group to place;
— lone parents;
— “women returners”— a much smaller group these days given the historically high and rising female activity rates.
The barrier to success is not the unavailability of jobs, rather the general lack of skills within these groups to undertake them.

With economic projections continuing to predict a growth in UK jobs, the historical approach of simply matching these groups up with the available jobs would have supported the traditional strategy of “job finding” as the critical role of the public employment service. This solution, however, does not fit the current projected scenario. Required skill levels continue to grow, currently confirmed by the ongoing review by Lord Leitch, as he looks at the skills needs of the next decade. The skills levels, however, within most of the groups being targeted are generally low or very low. Simply focusing on a job finding service increasingly based on a self-help approach, using the ever more computerised job bank within Jobcentre Plus—just will not work if we are to get 80% of the working age population into sustainable employment.

As never before, the gap between the non-employed and the jobs available is their “lack of skills”.

Three Elements to a Successful Strategy

Up until now the strategy of the public employment service has been based on a dual approach. This has been (1) to pay unemployment benefit until we have been able to (2) “find them a job”. This strategy is now too simplistic and therefore inappropriate. The new strategy must be built around offering appropriate levels of support and training to enable them to compete for the ever higher levels of job that the economy is demanding. There must therefore now be three complementary strategies if we are to move circa one million non-employed into work over the next few years:

- Payment of benefits subject to confirming appropriate eligibility
- Employability/skills training (concentrating on basic skills for many)
- An employer-facing job finding service

The second of these equates exactly with core elements of the recently published and adopted skills strategy. As such, it fits precisely into the demands of the DfES remit to the LSC, and also is picked up by the core recommendation by Sir Andrew Foster in his recent review of further education that colleges of FE, and indeed the whole of the FE system should be increasingly focused on skills and employability.

NB It should also be noted here that the Jobcentre Plus service is currently undergoing massive “efficiency savings”, attempting, but almost certainly failing, to simultaneously protect front line services. This job is not yet complete and the pressures on the front line will surely grow. Their in-house capacity to deliver their essentially job finding service will continue to decay.

Who are the players, where is the expertise?

Payment of Benefits

The expertise lies within DWP/Jobcentre Plus, though there is little doubt that the independent sector (both private and voluntary sectors) would be more than capable of interpreting and administering Government determined eligibility rules.

Our proposal is that the responsibility for determining benefit eligibility and paying benefits and ensuring claimants undertake any agreed actions should be the clear responsibility of Jobcentre Plus, with their clear accountability for this function directly back through Government ministers.

Skills/Employability Training

Currently Jobcentre Plus have the responsibility for supporting/training these non-employed groups and to procure training as part of their New Deal options. Since taking over work based learning for adults in the 1990s, they have never developed sufficient expertise, nor indeed as effective a delivery infrastructure as the LSC. This is substantially because of the continued, cultural focus and priority on job finding as their key responsibility. Severe cutbacks during 2005 have impacted primarily on the training elements of New Deal services and Work-Based Learning for Adults.

However, responsibility for skills and employability training already lies primarily with the LSC, and arguing already falls within the remit received from the DfES. They use a sophisticated and ever more effective provider infrastructure, comprising both colleges and independent providers. This network already possesses the skills in all localities to fulfil this (employability) training role.

Our proposal is that all funds for the support and training of unemployed people be transferred from DWP, via the DfES, to the LSC. The function is consistent with their existing role and should be properly acknowledged as a priority element in the delivery of the skills strategy. It is the skills strategy that must deliver the proposed 80% national activity rate. (It will be necessary to properly acknowledge both the high cost of training these disadvantaged groups whilst recognising the massive savings to the public purse of success. Appropriate allocations from the Treasury to the DfES/LSC—not DWP/Jobcentre Plus—will need to be made.)
JOB FINDING SERVICES

There are two main players in this arena. The Jobcentre Plus service itself, and the independent sector. The independent sector comprises primarily of commercial employment agencies, although there is also effective work undertaken in the margins by voluntary organisations—especially within the non-employed sector. Neither of these players are currently, nor likely, to be very successful at placing most of the jobseekers from the groups outlined above into long-term, sustainable employment until those jobseekers are better equipped with the employability and vocational skills increasingly demanded by our 21st century employers.

Effective employability training via the LSC and its provider infrastructure offers the greatest likelihood of effective results from the job finding function. The public employment service (Jobcentre Plus) has a massive and impressive track record of getting well prepared unemployed back into work. This capacity, however, is currently weakened by the efficiency saving pressures that will increasingly impact on the effectiveness of their front line operation. It will also be further weakened by the policy-driven concentration on serving the unemployed (only), which has increased the perception (always there) of employers that applicants from Jobcentre Plus come almost exclusively from the “bottom end” of the market. This growing perception will continue to inhibit the number of employers and vacancies accessible to Jobcentre Plus and their clients.

On the other hand, the private sector agencies have developed a profile with employers, more favourably linked with provision of quality applicants. Whilst private agencies deal successfully with some unemployed jobseekers, they tend to represent a small proportion of their business.

If unemployed applicants had their employability/skill ratings properly enhanced as suggested in this paper, the private sector would be well placed to exploit the confidence it enjoys from employers, to move these properly prepared jobseekers into sustainable employment. Private providers are funded by commission from employers on successful placement. Offering an additional premium from Jobcentre Plus for the successful placement of unemployed jobseekers would incentivise the private sector to up its game regarding the unemployed based on the opportunity for enhanced commercial success. Such public sector funding would need to be based solely on evidenced outcomes, keeping the funding both bureaucracy free and cost effective.

We recommend that Jobcentre Plus further develops its growing relationship with the private sector, paying a fee for every unemployed person that is re-settled into sustainable employment. This fee could be variable across different groups of unemployed (reflecting the savings to the Exchequer) and the nature of the employment (full-time, part-time, long-term or temporary). Jobcentre Plus might consider contracting the whole of its job finding service to the independent sector, enabling it both the concentrate on its benefits payments responsibilities and hitting the efficiency savings currently being pursued.

CONCLUSION

There should be an urgent, cross-Departmental debate to determine a single, Government-wide policy, focusing on the necessity of returning one million non-employed adults into sustained employment. This would pull together the separate priorities of:

— firstly, reducing the overall expenditure budget—focused on by the Treasury
— secondly, the need to find jobs for the non-employed—the priority of DWP/JCP
— finally, the need to upskill the nation to sustain future economic performance—the role of DfES/LSC

These should merge into a single policy dependent upon, and actioned by, the three departments. This would result in an increase in the short-term investment in funding the preparation of a million non-employed adults to re-enter the labour market by the Treasury, being more than offset by the savings in benefit payments. It would see employability skills training activity as an integrated priority of the DfES/LSC plan to have a sustainably trained 80% activity rate. DWP/Jobcentre Plus would have the responsibility of paying benefits and ensuring the non-employed availed themselves of the training and job finding facilities increasingly supplied by the independent sector.

In short:

— Jobcentre Plus would oversee the payment and monitoring of the benefits system.
— The LSC would take as a priority the training up of non-employed as a major contribution to the skills strategy.
— The job finding service should make greater use of the independent sector, with a possible view to full privatisation.