

## Case Study #16

### **JOBCENTRE PLUS (UK DEPARTMENT FOR WORK AND PENSIONS)**

#### **1. Background**

Jobcentre Plus (JCP) is an Executive Agency of the Department for Work and Pensions (DWP). It was established in April 2002. JCP brought together the labour market and benefit delivery functions of the former Employment Service, and the parts of Benefits Agency dealing with working age customers. It was formed in response to the increasing numbers of people being supported on benefits who were inactive in the labour market, and the need to support a growing economy with a sufficient supply of work ready people.

JCP contributes to the Government's aim of tackling poverty, reducing worklessness, promoting growth and opportunity, and modernizing Government. Working with a wide range of partners, it promotes work as the best form of welfare, helping unemployed and economically inactive people of working age move closer to the labour market and compete effectively for work, while providing appropriate help and support for those without work. It encourages employers to open up more opportunities to jobless people, assists them to fill their vacancies quickly, and helps to address the key skill needs of areas of the country and sectors of the economy. It aims to pay customers the correct amount of benefit, on time and in accordance with published requirements, and protects the benefits system from fraud and abuse. In all of its work, JCP strives to improve the quality, accessibility, and delivery of services to all its customers.

JCP's services aim to help people move into work while supporting those who can't. The services are delivered through a network of integrated Jobcentres (delivering support to people disadvantaged in the labour market, predominantly through access to Personal Advisers, and benefit enquiries for people for whom using the telephone presents difficulties); Benefit Delivery Centres (BDCs) to serve those customers who have benefit claims in payment; and, telephone contact centres for individual customers looking for work or claiming benefit, and for employers looking to fill vacancies. JCP also offers the largest Internet job bank in Europe, matching employers needing candidates with jobseekers without work.

The above describes the evolution of JCP and the problems that its creation was trying to address. The main concerns in the early days of its formation were mainly cultural, in that staff from the legacy Agencies (i.e. the Employment Service and the Benefits Agency), needed to learn new objectives and behaviours.

#### **2. Organizational Design and Governance Arrangements**

The Department for Work and Pensions is organised to deliver effectively and efficiently the outcomes determined by Ministers. The Secretary of State for Work and Pensions has overall statutory authority and accountability to Parliament for all matters associated with the Department. The Secretary of State defines the Department's aims, objectives, roles and strategy in support of the Government's objectives, approves the Department's high-level outcome and output targets and the resources to deliver them as set out in its Public Service Agreement, and determines the Department's policies. The Secretary of

State also sets key annual performance targets for the delivery elements of the Department. The Secretary of State is supported by a Ministerial team, which advises on issues of policy, strategy, and targets and helps account to Parliament for policy and results. Each Minister has delegated responsibility for defined parts of the Department's business.

The Permanent Secretary is the Head of the Department and is responsible for the effectiveness and efficiency of all aspects of its work in support of Ministerially determined objectives and policies. In the main, the Department's services to customers are provided by, or through, formally designated Executive Agencies. These are JCP, The Pension Service, Child Support Agency, Disability and Carers Service and The Rent Service. (In April 2008 Disability and Carers Service and the Pension Service will amalgamate)

There are two bodies that provide overall management of the work of the Department: the Departmental Board and the Executive Team.

The Executive Team is responsible for supporting the Permanent Secretary in the management of the Department and its business, in line with Ministers' aims and the business strategy set by the Departmental Board. They support the Permanent Secretary's corporate leadership of DWP. The membership of the Executive Team comprises the Permanent Secretary, the Group Finance Director, the Chief Executive of Each Agency, and the Directors General from each Division within the Department's 'Head Office'.

The Departmental Board is responsible for advising and supporting the Permanent Secretary in developing a strategy and overseeing plans for meeting the objectives and targets of the Department. The Departmental Board provides an advisory and challenge function to support the Head of Department and the Executive Team in discharging their responsibilities. It is responsible for scrutinizing, constructively challenging and providing advice on delivery strategies, plans and programmes, performance and governance arrangements. The membership of the Board consists of the Permanent Secretary, the Group Finance Director, two non-Executive Directors, and one Agency Chief Executive representing the agencies (currently from JCP).

Each Agency of the Department is headed by a Chief Executive who is responsible for delivering specified outcomes. They are responsible for meeting operational and performance targets within resource allocations, as agreed with Ministers and the Head of Department as advised by the relevant Director General and Group Finance Director General.

As one of the agencies, JCP has its own Chief Executive supported by a Board that assists in delivering accountabilities to the Permanent Secretary and to Parliament. The Board's key functions are setting the strategic direction of the organization, providing leadership, and making decisions on the deployment of resources, corporate governance, performance management and assurance issues.

### **3. Business Model**

The overriding principle for the Business Model is defined through DWP's aim to "promote opportunity and independence for all." JCP will continue to play a major role in

delivering this aim through providing 'work for those who can, and support for those who cannot.'

### *3(a) Activities, Channels and Migration*

JCP was launched April 2002, merging employment and social security delivery; a single point of delivery for help into work and working age benefits. The aim was to increase the employment rate to 80%.

The specific activities of JCP are:

- Payment of working age benefits;
- Help and support to find work or work related training for customers or partners of customers claiming working age benefits.
- Personal Adviser service delivering compulsory work focused interviews for lone parents claiming Income Support, incapacity benefits claimants and unemployed jobseekers.
- Helping employers – taking and filling vacancies.

JCP provides multi-channel service delivery. The telephone is the primary delivery channel for new claims, job search and notification of some changes of circumstances.

Self Service involves on-line vacancy taking from employers; job search through the JCP website (the No 1 UK recruitment site); self service job points in Jobcentres and partner organizations; and on-line notification of intention to claim benefit.

Face to Face service delivery includes Work Focused Interviews delivered by personal advisers; benefit interventions (for example fortnightly 'signing' for customers claiming Jobseekers Allowance and fraud or other compliance interviews); and help and support for customers unable to access service through telephony or self service.

Self service is actively promoted for information gathering and job search, and for employers' vacancy taking. No incentives are offered above and beyond benefits of self service: accessing products and services and a time and place convenient to the customer.

Telephone services are actively promoted in preference to face-to-face services in order to make best use of limited resources for customers facing the greatest barriers to work or with specific communication requirements.

The rationalization/convergence of the delivery channels can be seen in changes in JCP over time:

In 2002, there were

- 600 Benefit Processing sites
- 1500 Jobcentres and benefit offices
- An merging contact centre network.
- 92,000 staff

In 2007, there were

- 33 Contact Centres (telephone and 'e');
- 297,000 user visits a day

- 862,000 job searches a day
- 17,000 vacancies notified per day
- 15,000 claims to benefit a day
- 77 Benefit Delivery Centres (telephone and post) and
- 860 JCP Offices (face to face, telephone and post).
- 45,000 interviews a day
- 66,000 staff

For the period from 2008 to 2011, JCP is

- beginning to explore the opportunities to develop telephony based services in a single contact centre network.
- planning to increase self service opportunities by telephone or on-line – reducing footfall in JCP offices and the number of ‘avoidable contacts’ and improving on-line services for employers.
- exploring opportunities to share data within DWP and potentially across government so that customers can conduct more of their business with JCP in one place and at one time.

### *3(b) Funding*

JCP is entirely funded from Central Government appropriations. There are a few activities for which it charges customers, but this income in effect goes straight to the UK Treasury.

### *3(c) Human Resources Issues*

Human resource challenges include supporting JCP to deliver its Business Priorities, in particular meeting the JCP headcount challenge and living within the agency’s means alongside the challenge of working in a highly unionized environment. Another important challenge is providing Support/deploy Learning and Development interventions to enable employees to develop the skills they need for the future and support the business/employees through significant change and new initiatives.

- The HR Directorate Business Plan is linked to, and supports, the JCP Priorities.
- The key headlines from the HR Business Plan include:
  - Contributing to the Department for Work and Pensions HR Modernisation and Change Programme and supporting subsequent changes for JCP;
  - Providing HR support for the business development programme;
  - Embedding and improving the operation of the HR Service Delivery Model;
  - Effective Workforce Planning that gets the right people in the right place at the right time;
  - Effective input to and support of business performance improvement and continuous improvement initiatives;
  - Continuing to upskill Line Managers to deliver more effectively through their people;
  - HR Directorate Headcount and Budget Targets;

- Refocusing the development and delivery of Learning and Development to improve end to end experience for our people in delivering services to customers;
  - Supporting the initiatives that will improve Attendance Management;
  - Facilitating the development of JCP culture and ways of working to support business transformation;
  - Building enhanced organisation capability across JCP including improved leadership and talent management;
  - Implementing the improved Performance and Development System (PDS) & Strategy for reward and recognition;
  - Contributing to the delivery of diversity and equality for all our people.
- JCP has detailed Workforce Planning guidance that also supports the Workforce Planning Strategy.

In terms of special training for employees,

- The JCP Learning and Development Strategy includes provision for 6 days training per employee.
- JCP provides a full programme of Learning and Development for the three delivery Arms (Contact Centres, Benefit Delivery Centres and front line staff in Jobcentres) which are delivered through a blended learning approach which could include:
  - Face to face learning;
  - E-learning;
  - IT E-learning;
  - Learning from Peer Group;
  - Research.
- Specific training is also provided to enable JCP to meet its delivery targets. For example, Learning and Development interventions have been put in place to support improvements in Attendance Management.
- JCP has a number of management/leadership development programmes available to develop JCP current and future people capability requirements.

### *3(d) Performance Measurement*

Department for Work and Pensions (DWP), Work, Welfare & Equality Group (WWEG) client side own the Business Targets for JCP (and other client sides for other DWP Businesses – The Pensions Service, Disability & Carers Service etc.)

Targets are developed so as to fit with changes in DWP policy – e.g. Child Poverty agenda led to Lone Parent Trigger Work Focused Interviews and Job outcome points for children to represent the business' contribution to the delivery of the policy.

The process is as follows:

- WWEG develops policy initiative, tools/activities, resourcing decisions (more money or re-direction) and proposes broad area for new targets;

- JCP advises on practicalities /operationalising – what staff prompts would be needed through a target; how a new target fits with existing targets; how the agency would record; what management information is needed; how it could be performance managed etc;
- WWEG makes the target proposals to the Minister of Work in the light of the agency;s business advice. The reality is that JCP does a lot more of the development; WWEG gives only broad direction. Timing is often driven by the lead times for information technology development to deliver the necessary management information for reporting and performance management.

The context used to be the Public Sector Agreement (PSAs) in any Comprehensive Spending Review (CSR). With CSR 2007, the context is set by the Departmental Strategic Objectives (DSOs). There used to be 10 PSAs specifically for DWP; now under CSR 07, PSAs are cross-departmental and fewer in number, so the agency focuses on Departmental Strategic Objectives.

The Departmental Strategic Objectives are designed to:  
 Describe all of a department’s business – outcomes linked to PSAs and outputs;  
 Link resources – headcount and money – to outputs and to activities;  
 Demonstrate the department’s linking of its outputs to cross-departmental outcomes.

DSOs are therefore departmental; a business’ contribution to DSOs is through the target regime. Our targets for 2008/09 will fit with DSOs:

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| Job Outcome Target – Lone Parents = DSO1     | Job Outcome Target overall = DSO2                                      |
| Interventions Delivery Target = DSO2         | Employer Engagement Target = DSO2                                      |
| Job Outcome Target 50+ = DSO4                | Job Outcome Target -People with health Conditions or Disability = DSO5 |
| Average Actual Clearance Times Target = DSO6 | Monetary Value of Fraud and Error Target = DSO6                        |
| Customer Service Target = DSO7               |  |

Businesses deliver other things for DSO outputs – e.g. childcare discussions to support childcare take-up – but these are not part of the target regime.

CSR 07 also brings in a new concept of Performance Agreements – outputs and inputs for the 3 Comprehensive Spending Review years. The discussions, and ministerial decisions, on the first year’s targets are then slotted into the Performance Agreements and these become the baseline for years 2 and 3.

Target levels are determined on the basis of advice from WWEG to the Minister. Their advice will be based on what they believe should be the change from the previous year in the light of policy changes and a view of whether a business ‘could do better’. The business will advise on its capacity changes (headcount); efficiency measures to counteract losses of resources; and the operational impact of other changes. Where there is a difference of view, the Minister must decide.

The Executive Team in DWP will then decide whether its resource allocation between businesses adequately reflects the relative stretch in targets for businesses, before advising the Secretary of State of the full set of business targets and resources.

The JCP targets for 2007/08 are as follows:

**Job Outcome target**

This target measures the number of customers JCP helps into work. The target is points based, and the aim is to achieve 11,200,000 points

**Monetary Value of Fraud and Error target**

This target measures the amount of money lost through fraud and error in Income support and Jobseeker's allowance. The target is to reduce these losses by 15% by March 2010 (from a 2005/06 baseline)

**Employer Outcome target**

This target measures how quickly and effectively JCP meets employers' recruitment needs. The target is 84% of employers placing vacancies with JCP will have a positive outcome

**Customer Service target**

This target measures how well services are delivered to customers – in person, by telephone and electronically. The target is to achieve a service level of 84% measured against specific standards

**Interventions Delivery target**

This target is about helping our customers move into work by providing work-focused support, in a given time, to customers entitled to Incapacity Benefit, Jobseeker's Allowance and Lone Parents receiving Income Support. The target is to deliver key labour market interventions on time in 85% of cases

**Average Actual Clearance Time target**

Measures the average number of working days taken to process benefit claims. The aim is to process claims as follows:

Incapacity Benefit – 18 days

Income Support – 11 days

Jobseeker's Allowance – 12 days.

JCP performance against targets is published at [www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)

*3(e) Use of Information Technology/Web 2.0*

DWP uses a range of technology services for integrated e delivery. Siebel CRM is used across the network for customer contact management and for e-claims the Siebel e-advisor products are used. For our labour market activities present two views of our Labour Market System and our Job Bank, these utilize a product called Elise and some bespoke HTML and Java (for job and skills matching). Web 2.0 technologies have not been deployed for external customer systems but blogs, wikis and podcasts are used for internal presentation of information.

*3(f) Partnerships*

Partnership is central to the delivery of the JCP's business objectives and to effective and efficient service delivery. The rationale for effective partnership working is simple – a lot more can be achieved through working with partners than by acting alone and JCP's reputation for delivery can be improved.

In broad terms, JCPs partners are defined as follows:

**Business Partners:** Some external organizations possess expertise and resources which make a direct positive contribution to JCPs customers' experience, business objectives and targets.

**Stakeholder Partners:** Others have a stake in what JCP does and how it does it. Such organizations can provide valuable insight, input and support to JCP business objectives or be affected by its work.

JCP also contract with organizations on a commercial basis to deliver employment services to its customers. The contracting process is now managed by the parent Department, the Department for Work and Pensions.

In terms of partnerships during 2006-2007, JCP

- strengthened its joint working arrangements with Governmental partners, including Local Authorities, Her Majesty's Revenue and Customs, the Child Support Agency, the Tribunal Service, and the Disability and Carers Service to improve services for the customers it share swith them
- worked with the Learning and Skills Council to implement an Adult Learning Option pilot that gives jobless and inactive benefit customers the opportunity to study full time in order to gain a level 2 qualification
- worked with over 1,900 third sector partnerships to assist customers with needs such as housing, help following redundancy, job matching, health, rehabilitation services and debt counselling
- created a Provision Forum – an advisory group of external providers who work with JCP to share information and make practical suggestions to improve how contracted services are delivered .

In the current operational year, JCP is working to improve the effectiveness of the services other organizations provide by:

- working with other parts of the DWP, such as the Disability and Carers Service and The Pensions Service, to start to link services together
- working with other parts of the DWP and other government departments to link services for customers that departments have in common, including collecting and sharing more information with HM Revenue and Customs and local authorities, and
- putting JCP's Cities Strategy into practice, which will help the agency tackle the problems in the cities and help more people from ethnic minorities find work. The strategy brings together existing funds aimed at employment initiatives and disadvantaged groups in 15 pathfinder areas.

JCP has also signed a Partnership Agreement with the Citizens Advice service, the foremost UK advice and information organisation, designed to improve links at all levels in both organisations but particularly at local level and so ensure that mutual customers get the level of service they need.

#### 4. Community Engagement

JCP play a key role in Local Strategic Partnerships (LSPs) - there are around 365 LSPs in England. LSPs are a single local body that:

- bring together at a local level the different parts of the public sector as well as the private, business, community and voluntary sectors so that different initiatives and services support each other and work together
- provide a single overarching local co-ordination framework within which other partnerships can operate
- is responsible for developing and driving the implementation of Community Strategies and Local Area Agreements
- is responsible for agreeing the allocation of Neighbourhood Renewal Funding helping to 'narrow the gap' in the 88 districts with the highest levels of deprivation.

Local Government reform is seen as the key to the next stages of public sector reform in the UK, expanding economic opportunity and promoting safer and stronger communities. A government White Paper published on 26 October 2006 on Local Government will have an impact on our partnership arrangements at the local level and JCP is working through the implications of this.

### *Third Sector - Customer Representative Groups*

Some of JCP's most important partners are those organizations that represent its customers. Many of these organizations have direct contact with JCP's most vulnerable customers and provide help and support to them on a wide range of topics, including advice on benefits. Some also have a wider campaigning role on behalf of their particular customer group.

At national level JCP has identified 22 key Customer Representative Groups and its key aim is to keep these organizations up to date with JCP developments, especially those that have an impact on its customer services, and to consult them on key changes to JCP services.

At local level, JCP's district managers are accountable for engaging with local groups and ensuring that effective liaison and service delivery arrangements are in place to help these organizations deal professionally with issues raised by mutual customers.

## **5. Issues Encountered/Challenges**

The challenges that JCP faces in delivering its partnership agenda include

- the scale and pace of the changes being put in place to modernise customer services and the way they are delivered
- the needs of priority customers and workforce diversity;
- the requirement to deliver better performance with reduced resources and prioritise partnership relationships;
- the importance of maintaining a reputation with partners as an organization that delivers and responds to constructive feedback.

In tackling these challenges, the following as guiding principles are used:

- **The business case for partnerships.** JCP always seeks to have a demonstrable rationale for partnering, rooted in its business objectives.

- **Stronger relationships with fewer partners.** JCP is operating with less resources and if it is to be effective with those partnerships that matter to it, it needs to actively review each partnership with a view to disengaging from some and significantly reducing its input to others.
- **Flexibility.** JCP needs to adapt its standard approach to match the importance of the partnership to JCP. Its engagement and communication strategies should reflect this.
- **Clear roles, accountabilities and consistency of application.** JCP carries out partnership work in all business areas in JCP and it needs to have clear roles and a consistent approach.
- **Simple ways of measuring success.** JCP will measure its success in partnership working in three high level areas – management of the partnership; impact on JCP performance and impact on our reputation.

## 6. Critical Success Factors

The integration of services to create JCP was delivered through a specifically managed programme of work. The main lessons learned are that:

- in a programme of work of this nature, which is linked to a business case for a wider programme of change, it is imperative that the segments of the wider programme are understood and that each segment has clear goals, critical success factors and benefits to be realised; and
- robust programme management arrangements are essential, supported by a commitment from the most senior levels of the organization to the successful delivery.

The JCP Implementation Programme is now complete and the benefits have been delivered. These include:

- a rationalised and more cost effective network of offices, using flexible service arrangements to facilitate office closures;
- design and implementation of new business processes for the new Jobcentres and the contact centres;
- design and implementation of a modern office environment for staff and customers in Jobcentres and contact centres; and
- the deployment of modern ICT to support the processes in Jobcentres and Contact Centres.

A JCP brand has now been firmly established. JCP has introduced a network of modern Jobcentres for customers with whom it deals on a face to face basis; a network of Contact Centres for those customers accessing telephone based services, such as benefit claims and job vacancies; and, has almost completed the introduction of a network of Benefit Delivery Centres to serve those customers who have benefit claims in payment.

The implemented service delivery model gives JCP a firm basis on which to deliver its customer services and associated annual performance measures (targets). These targets are agreed by the Secretary of State for Work and Pensions on advice from DWP and support the Department's achievement of its Public Service Agreements. They are published in the Agency's annual Business Plan.

## 7. Next Steps

The Government is committed to building an inclusive, cohesive, and prosperous society. Full employment is at the heart of the strategy. The Government is aiming for an employment rate of 80 percent to help combat poverty and enable Britain to respond to the opportunities of the global economy.

Significant progress has already been made through JCP with the introduction of a series of welfare reforms to improve the opportunities for people to work. The largest of these will be the introduction of the Employment and Support Allowance (ESA) in October 2008.

DWP has established a team to manage its Change Programme, and JCP plays an active role. This team is leading a series of linked projects and initiatives that aim to make DWP more focussed on its customers, more efficient and more united as one Department.

The aim is to create a Department that works in a joined up fashion and enables it to commission and deliver services that best meet its customers' needs. Examples are:

- Customer Insight - DWP will make sure its services better meet the needs of its customers by understanding them better;
- Commissioning - DWP will ensure that its services are delivered by the organizations best placed to deliver successfully; and
- DWP Operating Model— this will define ways of working across DWP by creating a single operating model for the Department. It will reach across organizational boundaries, deliver services efficiently, and ensure customers receive all the support they need, when they need it.

DWP is also delivering customer service based upon a deeper understanding of its customers, offering quality, “joined up” delivery, efficient services, and choices that achieve better outcomes. Examples of work in development are:

Continuous improvement using Lean techniques: Lean is a way of working that places the customer and delivery staff at the heart of improved processes and services.

- While many of the tools used in Lean will be familiar to staff and managers, taken as a whole it is a radical departure from the way services have traditionally been improved. It introduces new ways of working and new ways of managing work, which will transform the experience of staff and managers.
- The two key differences are that solutions are not imposed “from above”. Service improvements are developed using customer feedback and delivery staff expertise. These improvements are then tested by delivery staff so that what’s been suggested is certain to be deliverable and to work.
- At the core of Lean is the goal of eliminating waste from everything that is done. Waste is anything that doesn’t contribute to the service the customer experiences. Lean therefore provides the potential to maintain and improve customer service in an environment of reduced resources.
- DWP constantly looks at what it does and asks staff and customers to identify opportunities for improvement; and
- My DWP project – DWP customers will be able to access a website (eventually providing an opportunity for self service), that ensures they receive all the advice and information they need. Accessed through the Directgov website (a cross

Government gateway site), it will reduce contacts that are of no value and give an improved customer service through better signposting to the correct place.

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