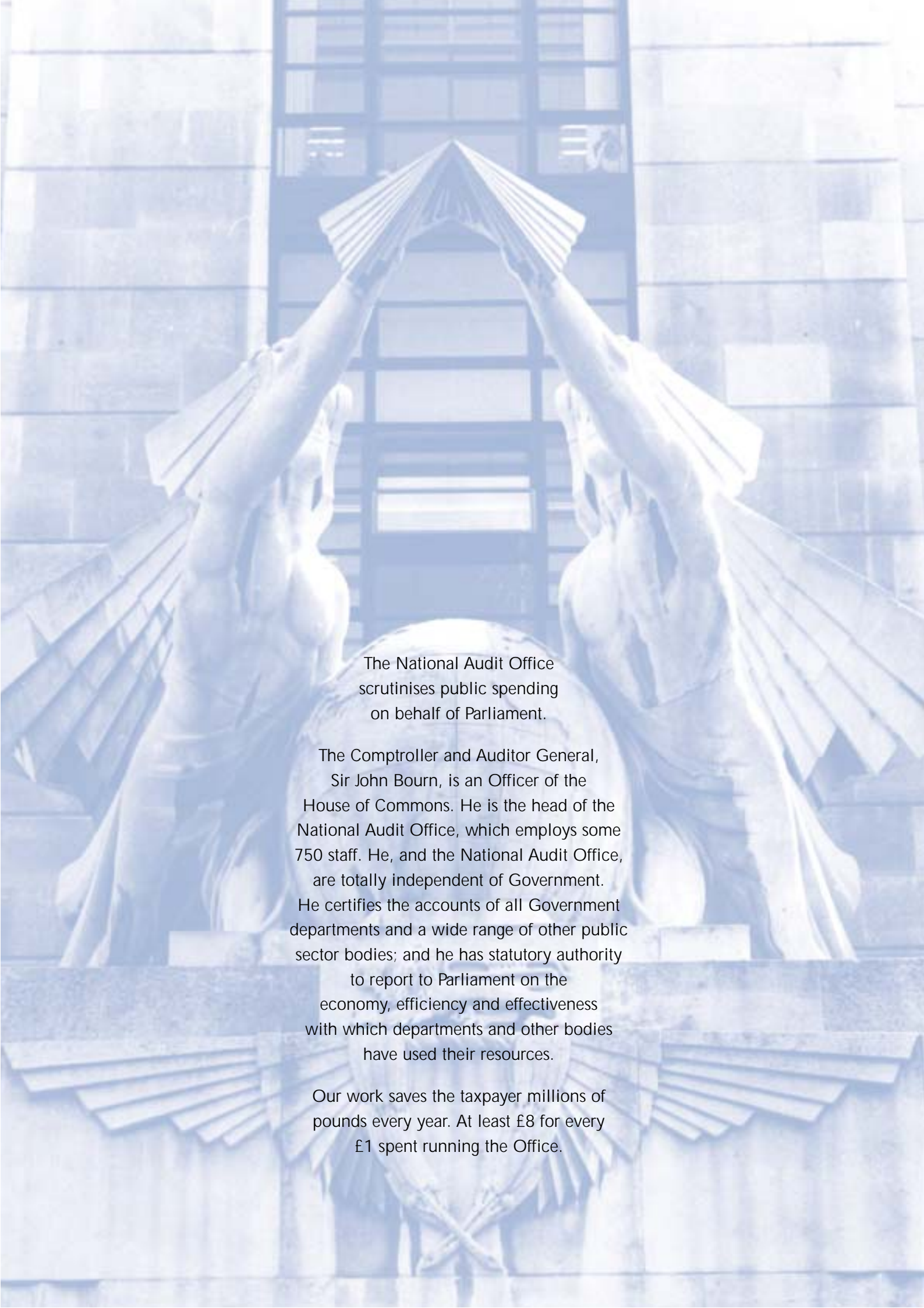


Using call centres to deliver public services

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 134 Session 2002-2003: 11 December 2002





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Using call centres to deliver public services



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 134 Session 2002-2003: 11 December 2002

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This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

John Bourn National Audit Office
Comptroller and Auditor General 4 December 2002

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Chris Lambert, Robert Kennedy, Caroline Jackson and Barbara Rodgers with independent specialist industry expertise from Michael Havard, an expert in the development and operation of UK call centres and Managing Director of CM Insight, a call centre consultancy.

This report can be found on the National Audit Office web site at www.nao.gov.uk

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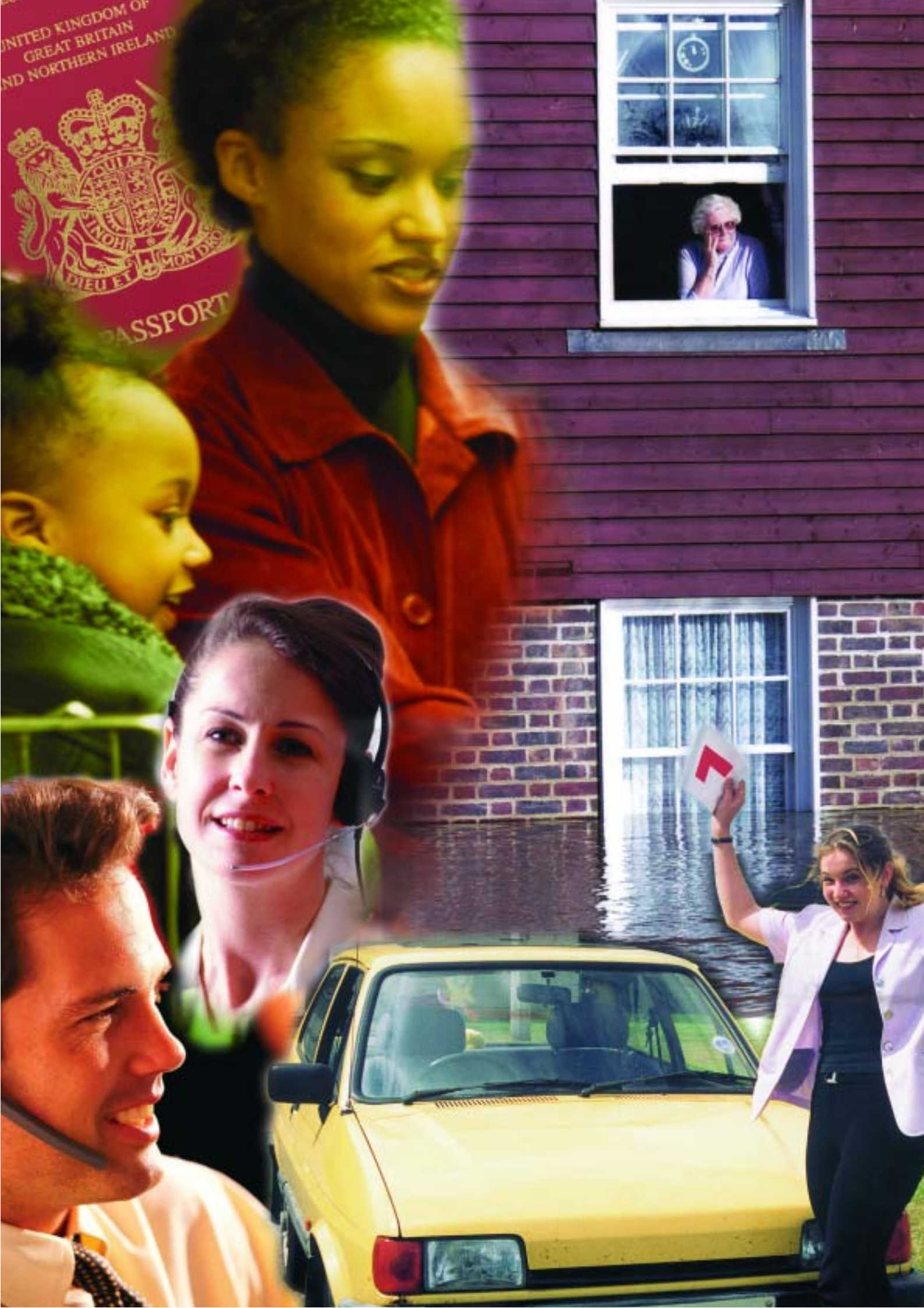
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Foreword

Departments spent just over £350 million answering 95 million calls in 2001-02 through some 133 call centres ranging from Floodline, the Environment Agency's flood warning and advice service, to the Child Benefit Enquiry Line and UK Passport Adviceline, where the services are a routine part of departments' responsibilities.

Since 1989 when there were only 13 departmental call centres there has been a significant increase with 133 centres now employing over 15,000 staff - 45 centres are outsourced to the private sector.

Departmental call centres have achieved levels of customer satisfaction of around 89 per cent and an average of 84 per cent of calls were answered within 20 seconds in 2001-02. Some centres at certain times could not cope with the number of calls they received and callers consistently heard an engaged tone. The cost per call minute, a standard basis for comparing the costs of call centres, varied from less than £0.60 to a small number of centres where the costs were more than £5. For 60 call centres information was not readily available to calculate the cost per call minute.

While there is evidence of high levels of customer satisfaction, there are a number of ways by which performance could be further improved through: having a more balanced mix of indicators to assess quality of service and more reliable cost information; better deployment of call centre staff to meet peaks and troughs in calls and by providing the public with more information on the services which call centres provide and how to contact them. Departments also need to improve their monitoring of the achievement of improvements in efficiency which delivering services through call centres should make possible.

The examination involved an omnibus survey of the public's views on receiving services by telephone from departments, a detailed survey of departmental call centre to benchmark their performance, and an in depth analysis of four call centres to assess how they provided services to the public.

A full list of the 133 call centres covered by the NAO survey and their contact details at the time this report was published is available on the NAO website www.nao.gov.uk



executive summary

- 1 Since the mid-1990's departments have made increasing use of call centres to deliver services to the public. Call centres allow people to access by telephone information, purchase goods and receive advice across a range of services, often more quickly than for example, writing to a department, and at more convenient times.¹
- 2 Call centres also provide opportunities for departments to use their resources more efficiently because less expensive staff can be supported by IT systems to deal quickly with customers' queries and more skilled staff can be redeployed to concentrate on more complex work. In 2001-02 departments spent around £350 million on call centres to answer over 95 million calls dealing with a wide range of enquiries (**Figure 1**).

1 Call centres deal with a wide range of calls

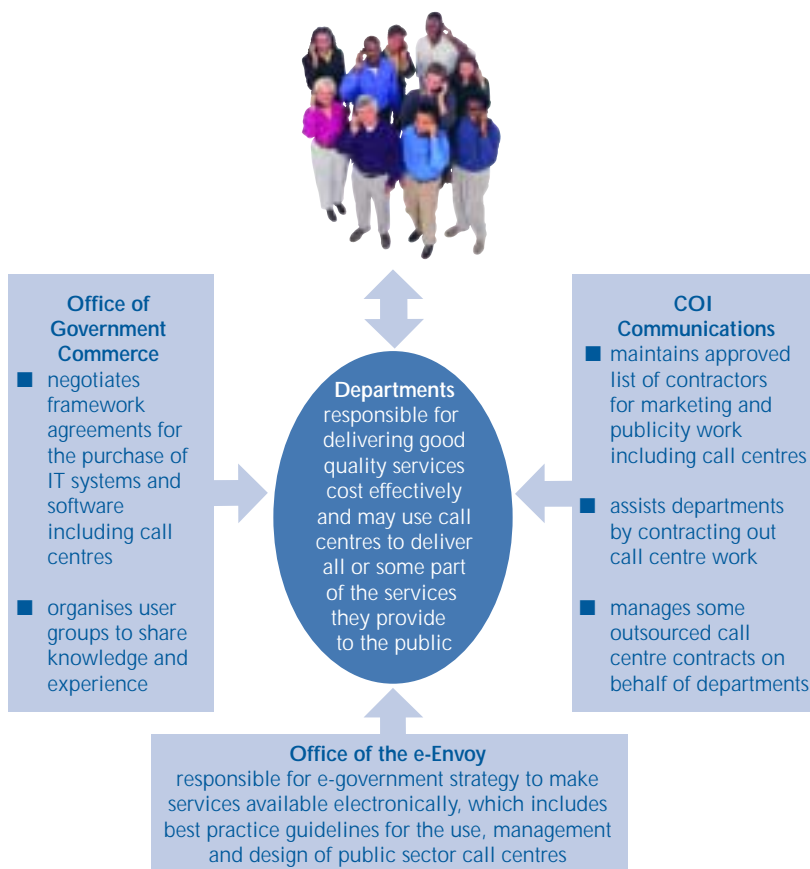


Source: NAO analysis of survey returns

- 3 Departments and their agencies are responsible for deciding whether to set up call centres to deliver services. No one central organisation has policy responsibility for call centres or the quality of service which they provide but departments can draw on advice from the Office of Government Commerce, the Office of the e-Envoy and COI Communications (formerly the Central Office of Information) (**Figure 2 overleaf**).

¹ The National Audit Office has also examined other forms of delivery used by departments to provide services to the public in "Progress in Making e-Services Accessible to All" to be published in early 2003.

2 Responsibilities for call centres

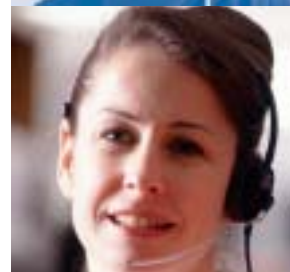


Source: NAO

- 4 This report assesses the extent to which by using call centres departments have improved the quality and cost effectiveness of their services. Our examination included an omnibus survey to determine the public's willingness to use call centres to access services (**Part 1**); a factual survey of 133 departmental call centres (**Part 2**); and a more detailed assessment of the service provided by the Child Benefit Centre Enquiry Line, the Driving Standards Agency Information and Booking Service, the Environment Agency's Floodline Service and the UK Passport Service Adviceline (**Parts 3-6**).

Key Findings

- 5 **Peoples' willingness to use call centres.** Sixty per cent of people responding to our survey said that they were content to receive advice and services from departments over the telephone, though younger people were more likely than older people to be willing to receive goods and services in this way. For the remaining 40 per cent, the main reasons why they were unwilling to do so were because they preferred to deal with someone in person (17 per cent); had either tried telephoning and could not get through or found the service they had received to be unacceptable (8 per cent); or wanted to receive information in writing (6 per cent).
- 6 The number of departmental call centres has increased; 13 respondents to our survey were operating in 1989 and by 2002 this figure had increased to 133, 45 of which are outsourced to private firms. The types of services provided range from providing advice and information (51 per cent of all call centres) such as Jobseeker Direct which carries out job searches using the national labour data base to providing specialist support (23 per cent) such as CALM - a helpline for depressed men at risk of suicide and the 24 hour National Domestic Violence helpline.





- 7 **Cost of call centres.** Total costs range from £10,600 for the Meat and Livestock Commission's Foot and Mouth helpline which operated from March to May 2001 to some £114 million for NHS Direct. Twenty four call centres (18 per cent) did not have information on their costs either because they were part of a larger outsourced service or because departments' financial systems could not disaggregate their costs. There was no significant difference in the costs of call centres managed in-house and those outsourced. An independent global benchmarking study² indicated that for an average call centre 66 per cent of costs were on staffing. For departmental call centres the equivalent figure was 77 per cent and for those outsourced 56 per cent.
- 8 As call centres provide a range of services and calls take different lengths of time to handle we compared costs to departments on a standard basis of cost per call minute. Seventy-three of the 133 call centres provided information that allowed us to calculate their cost per call minute. Of these, 21 call centres had costs of less than £0.60 per call minute; 49 had costs of between £0.60 and £5; and three had costs of over £5 per call minute. Although it is difficult to be precise, the comparable figure for the call centre industry as a whole ranges from 40 pence to 60 pence per call minute. Costs are influenced by a range of factors for example, by the number of calls handled, the complexity and sensitivity of the calls, the extent to which automated call handling systems are used, the scope to achieve efficiencies through economies of scale, the complexity of the IT required to support the service and the expertise and experience of the staff needed to respond to calls.
- 9 **Quality of service.** The most typical ways used to monitor quality are listening to calls to assess how they are handled (71 per cent of call centres do this); monitoring complaints (63 per cent); measuring customer satisfaction (42 per cent); mystery shopping³ (41 per cent); recording calls and then reviewing them (35 per cent); and surveying callers on a range of aspects of the service they received (26 per cent).
- 10 Research in 1999⁴ found that only half the population thought that it was reasonable to wait over 30 seconds for a call to be answered and 20 per cent expected a call to be answered within 15 seconds. Against these expectations departments' call centres as a whole performed reasonably well in 2001-02 with an average of 84 per cent of calls being answered within 20 seconds. But the range was 38 per cent to 100 per cent with some departments not achieving the average for over half the calls which they received. The 56 government organisations which measured customer satisfaction reported satisfaction levels on average of 89 per cent and above although there was a wide range in the levels of customer satisfaction - between 71 per cent and 99 per cent.
- 11 Quality of service is largely assessed, however, in terms of the speed with which calls are answered and resolved courteously to the satisfaction of the caller. There is very little monitoring or assessment of the extent to which the advice provided was accurate and complete. Call centres which did do this had much better information on quality. For example, the Passport Service Adviceline mystery shopping confirmed that in 90 per cent of cases their agents asked callers appropriate questions and provided the correct information. One call centre was able to point to an outcome to which their work contributed - the NHS Smoking Helpline found that 24 per cent of callers reported that they had not started smoking again 12 months after telephoning the helpline.

² Merchants Global Contact Centre Benchmarking Report 2001.

³ A call centre agent receives an enquiry which unbeknown to them is a departmental representative or someone from a company commissioned to assess quality who is able to assess how well the call is handled.

⁴ People's Panel Telephone Wave 3, Cabinet Office, April 1999.

3 The four call centres examined in this report

Call Centre	Calls answered 2001-2002	Costs 2001-2002	How quality is measured	Our assessment
<p>The Child Benefit Centre Enquiry Line</p> <p>Agents answer calls from parents and guardians requesting application forms and information packs about child benefit, and to make changes for example to bank account details, change of address, reporting lost order books and to confirm that children over the age of 16 remain in full time education.</p> <p>The Enquiry Line takes all initial calls so that other staff are free to carry out complex case work without interruption by telephone calls.</p> <p>Telephone: 0870 1555540</p>	2.6 million	<p>Total cost: £4.9 million</p> <p>Cost per call handled: £1.91</p> <p>Cost per call minute handled: £0.43</p>	<ul style="list-style-type: none"> Team leaders listen to agents making calls and identify any need for further training for individual agents. Customer satisfaction survey. Monitoring of key performance data for example on the time taken to answer calls by automated service and the percentage of calls resolved at the first point of contact. 	<p>The Departments' customer satisfaction survey indicates that customers who speak to an agent are generally satisfied with the level of service they receive.</p> <p>The team leaders within the call centre listen to the advice given to callers and identify the need for retraining if appropriate, but there is no independent check of the accuracy and completeness of the advice given by the agents.</p> <p>As the Department limits the number of callers who can wait in their queue there are some callers who receive an engaged tone and have to redial.</p> <p>The Department has difficulties dealing with the volume of calls that it receives, and are introducing software to help develop more reliable estimates of the number of staff they need to handle the volume and pattern of calls.</p>
<p>The Driving Standards Agency Information and Booking Line</p> <p>Agents answer calls and take credit card payments from the public, driving instructors, and training organisations who want to book practical driving tests and from people wanting to become approved driving instructors.</p> <p>The Information and Booking Line takes routine calls so as to provide a more efficient and user friendly booking service.</p> <p>Telephone: 0870 0101372</p>	3.4 million	<p>Total cost: £4.8 million</p> <p>Cost per call handled: £1.42</p> <p>Cost per call minute handled: £0.52</p>	<ul style="list-style-type: none"> Mystery shopping. Benchmarking against the outsourced theory test centre. Monitoring of key performance data for example on the time taken to answer calls by agent and the percentage of calls resolved at the first point of contact. 	<p>The performance of the call centre has enabled the Agency to improve the quality of service that it provides to customers by dealing with calls quickly and booking driving tests accurately and efficiently.</p> <p>The Agency has used mystery shopping and customer satisfaction surveys to help ensure that the quality of service is maintained.</p>

3 The four call centres examined in this report - *continued*

Call Centre	Calls answered 2001-2002	Costs 2001-2002	How quality is measured	Our assessment
<p>Floodline</p> <p>The public telephone to find out whether there are current flood warnings in force in England, Wales and Scotland, whether a property is at risk of flooding, for information about preventing or dealing with a flood, and to report flooding. Floodline provides information on flood risk for Scotland on behalf of the Scottish Environment Protection Agency.</p> <p>Floodline, the Environment Agency's 24 hour outsourced call centre, allows the Agency to respond to fluctuating demand for information on the risk of flooding and leaves agency staff free to concentrate on responding to floods.</p> <p>Telephone: 0845 9881188</p>	<p>0.24 million</p> <p>850,000 million in 2000-01 when there was significant flooding.</p> <p>85 per cent of calls are to the automated recorded message system.</p>	<p>Total cost: £0.5 million</p> <p>Cost per call handled: £2.08</p> <p>Cost per call minute handled: £0.67</p>	<ul style="list-style-type: none"> ■ Agency staff listen to agents making calls and identify any need for further training for the agents. ■ Regular testing of the remote message service. ■ Customer surveys following major events to assess views of the quality of service and ways in which it could be improved. ■ Monitoring of key performance data for example the percentage of calls handled with no waiting time by the automated service and percentage of calls handled within 15 seconds by the agent. 	<p>The automated recorded message system copes effectively in providing the public with up-to-date, reliable information on flood warnings. The Agency is introducing mystery shopping to assess the quality of service delivered by call centre agents (MM Group) handling calls.</p> <p>The Agency has worked to improve the service provided to the public at a reduced cost than in previous years.</p>
<p>The UK Passport Service AdviceLine</p> <p>Agents answer calls from the public concerning information on the costs of passports, to make appointments at Passport Offices, and requesting help in completing a passport application form.</p> <p>The Adviceline is outsourced and deals with routine calls so that Passport Service staff are free to deal with processing applications and issuing passports.</p> <p>Telephone: 0870 5210410</p>	<p>2.85 million</p>	<p>Total cost: £3.48 million</p> <p>Cost per call handled: £1.22</p> <p>Cost per call minute handled: £0.37</p>	<ul style="list-style-type: none"> ■ Managers listen to agents making calls and identify any need for further training. ■ Mystery shopping using 200 calls per month of the appropriateness of the agents response to the caller and the information the agent provides. ■ Monitoring of key performance data for example on percentage of calls answered within 20 seconds by the agent and the percentage of calls resolved by the agent taking the call. 	<p>The Adviceline has helped the Passport Service improve the quality of service it provides to members of the public. The calls are answered promptly and satisfactorily dealt with.</p> <p>The Service makes good use of mystery shopping and call monitoring to ensure that the quality of agents work is maintained. The performance of the contractor, the MM Group in running the call centre is managed through a series of targets incentives, and penalties are incurred if the targets are not met.</p>

Source: NAO examination of four call centres

- 12 Call centres are advertised in different ways so that the public are aware of the services they provide. Our survey of departmental call centres showed that 94 per cent advertise their telephone number in leaflets and pamphlets and on forms and 92 per cent use the internet. But only 14 per cent use telephone directories - which many people, in particular those without access to the internet, will consult to find out who to telephone.
- 13 **Managing the volume of calls.** The pattern and volume of calls can vary considerably depending on the time of day and also the season. Call centres have therefore to deploy their staff carefully and ensure that they have IT in place to allow them to schedule and direct callers. Having too few agents or inadequate IT when calls peak will result in calls going unanswered or people having to wait a long time to receive a response. For example, in 2001-02 the Child Benefit Centre answered 2.6 million calls but a further 5.4 million calls received an engaged tone. The Centre does not know how many times these callers had to redial and whether they eventually got through to an agent. Having too many staff when the number of calls is much lower will result in spare capacity which is not cost effective.
- 14 There are different ways of handling large volumes of calls so as to make the best use of staff time. Most people want their call dealt with by a person and there are some services where automated responses might be considered too impersonal or the options insufficiently flexible. Only around one third of the respondents to our survey thought that it was never acceptable to have an automated service. Floodline for example, uses a recorded message system to provide the public with up to date information on the risk of flooding in their area with a service target that all callers will get through within 15 seconds. The Driving Standards Agency Information and Booking Service uses an automated system to answer calls and route them directly to specific agents designated to deal with their type of enquiry. With the exception of NHS Direct and MET Office all call centres open 24 hours have been outsourced to the private sector. These private sector call centres are generally better equipped, particularly with IT systems, and have more flexible staffing arrangements to manage the volume of calls so that people rarely get an engaged tone. Those callers whose calls cannot be answered hear a recorded message and may be offered the options of stating the nature of their enquiry or service which they require or alternatively to leave their name and contact details. In both cases a call centre agent then gets back to the caller.
- 15 **Working conditions.** Some 400,000 people are employed in call centres in the United Kingdom⁵ with just over 15,000 people working in government call centres which are located all over the country. For example, 241 staff operate the Child Benefit Enquiry Line from one site in Washington, Tyne and Wear and the Driver and Vehicle Licensing Agency based in Swansea employs 432 people. The large number of calls handled and the intensity of the work have sometimes contributed to a perception by the public that call centres have poor working conditions. We found that working conditions in the call centres we visited were not unfavourable. Staff worked in a reasonable physical environment, could take regular breaks and remuneration was comparable with call centres in the private sector. The Trades Union Congress has reported that working conditions are improving in many call centres⁶ and UNISON and the Public Commercial Services Union told us that, as with all industries, some call centres are better managed than others and that those that worked most effectively were often the ones that had developed constructive and mature working relationships between call centre management, their staff and their union.

⁵ *Pay and Conditions in Call Centres 2002 - Income Data Services Ltd.*

⁶ *Trades Union Congress "Calls for Change", 2nd TUC report of calls to the "It's your Call" hotline April 2001.*

Recommendations

- 16 For certain types of public services, such as providing a wide range of advice and guidance and receiving requests for applications for government services such as benefits and student loans, call centres can be a cost effective method of service delivery and their use by departments has increased significantly over the last ten years. There is also evidence of high levels of customer satisfaction. There are, however, a number of ways in which performance could be further improved.
- 1 **Ensure that planned improvements in efficiency and quality of service are achieved.** Call centres usually require a significant investment particularly in IT, the recruitment and training of staff and a commitment to a new way of delivering services to citizens. Alternative ways of providing the service and alternative ways of setting up call centres will have different impacts on costs and benefits for example, operating the call centre on a single site or a number of sites; having the call centre in-house or managed through an outsourced contract or a combination of the two, for example to deal with overflow work; the number of hours the centre is open; and the balance between using automated response systems and agents to take calls. All costs should be carefully considered against the intended benefits in a well developed business case. If a call centre is subsequently established its performance should be reviewed against the business case to assess the extent to which intended benefits are being achieved so action can be taken if they are less than planned. Of the four call centres which we examined only the Passport Agency had done this fully. **Departments should identify the full costs and benefits of setting up a call centre in a business case and then routinely monitor the costs and performance of the call centre against the original business case to ensure that planned improvements in quality of service and efficiency are being achieved cost-effectively.**
 - 2 **Adopt a portfolio approach to assessing quality of service.** Call centres use a range of measures to varying degrees to assess the quality of service which customers receive. One measure alone is unlikely to provide a full assessment of quality and most call centres use more than one but the tendency is to focus on the speed with which calls are answered and customers' perception of how well their enquiry was handled rather than the quality of advice given. There is also a risk that some indicators can have an unintended effect for example, where call centres have a target to answer calls within a certain number of seconds this may result in staff devoting less time to each call to be able to answer calls more quickly. It is important that people should feel that they had the opportunity to speak to another human being and that their call was given serious consideration. **Departments should have a balanced mix or portfolio of indicators which give a more comprehensive, regular assessment of quality including the reliability and completeness of the advice which call centres provide.**

- 3 **Ensure that reliable information is available and regularly monitored to give assurance that services are delivered cost effectively.** Twenty-four of the 133 call centres did not have information on their costs and a further 36 could not provide information to calculate their costs per call minute. Without such information call centres cannot determine whether their costs are reasonable for example, by benchmarking their performance with other call centres providing similar services, or consider options for reducing costs by reengineering existing ways of working or by amalgamating with other call centres. **All call centres should have access to reliable cost information and indicators, which show the unit cost of delivering each of their key telephone services to the public.**
- 4 **Manage call centre resources to handle peaks and troughs in the volume of calls.** The volume of calls which centres receive are significant, often in excess of one million annually, and they will vary in number depending on the time of the day, week and also year. Some call centres are better at deploying their staff and using software to be able to handle fluctuating workloads than others. **For call centres to be able to deal with the calls they receive they need to use appropriate software to forecast the likely volume and incidence of calls and determine the most cost effective balance between automated response systems, flexible staffing, IT support, and outsourcing part of the work, to meet different levels of demand.**
- 5 **Provide better information for the public on the services which they can obtain by telephone.** The public need to know what services they can access using the telephone and how to get in touch with them. Departments already advertise their services in a number of ways such as in leaflets and on the internet. There is, however, no single directory of helplines, call centres and contact centres available and information on where to call is not easily accessible. One way this could be provided is by publishing details in telephone directories and directory enquiry services. **The Cabinet Office should work with departments to ensure that the public, including those without access to the internet, can easily access up to date phone numbers for call centres and the services they provide.**

Part 1

Introduction

- 1.1 This part of the report covers: (i) the benefits of using call centres to deliver public services and how decisions to do so are made; (ii) how willing the public are to use call centres; and (iii) how we carried out the study.

The benefits of using call centres to deliver services

- 1.2 Private sector organisations have used call centres for several decades. The public can telephone to book tickets, pay for their electricity and gas, check the availability of holidays, and order a wide range of goods and services. The advantages for customers are that they should receive a quicker service, they do not have to apply in writing or visit an office or retail outlet, and often they can contact a call centre outside normal working hours. The benefits for organisations are reduced costs - call centres do not have to be located in an expensive high street location⁷ and because of the support and back up provided by IT less expensive staff can be used to handle most routine calls. Quality monitoring and assurance is needed to ensure that the service provided is reliable, accurate and courteous. Ensuring that calls are answered promptly also requires

that the deployment of staff is carefully matched to the volume and pattern of calls.

- 1.3 Over the last ten years the number of call centres delivering public services has increased. The services which they provide range from the Trade Partners UK Enquiry Service which firms can contact for advice on securing overseas business to the Driving Standards Agency's Information and Booking Service which takes bookings for practical driving tests.
- 1.4 Departments and agencies have responsibility for deciding whether to set up call centres (i) to deliver any of their services and they usually do so on the basis of the potential to improve service delivery and value for money; (ii) to respond to a specific public concern for example, providing advice to farmers about foot and mouth disease; and (iii) to realise potential to deliver services more cost effectively.
- 1.5 No single central department has responsibility for policy on the use of call centres by government organisations or the quality of service which they should provide. Departments can, however, draw on the advice of three central organisations:

Typically call centres:

- handle incoming and/or outgoing telephone calls in order to provide information (usually referred to as helplines);
- market products and services, provide and collect information and book appointments (usually referred to as call centres); and
- respond to contacts by telephone, kiosks with video links, email, and the internet (usually referred to as contact centres).

Call centres are increasingly being developed into contact centres as a way of handling the increasing number of emails and queries generated from the web.

The cost of a call centre usually consists of five main components:

- Staff to handle calls and manage the operation
- The building housing the staff dealing with calls and related services
- Telephony costs and infrastructure
- Information technology and databases to enable staff to access information to respond to calls
- Independent evaluation of call centre performance and the quality of service delivered to customers

⁷ Technological advances mean that call centres can now be located anywhere in the world and accessed by customers as if they were based locally.

- **Office of the e-Envoy** (part of the Cabinet Office) has issued guidelines⁸ (Figure 4) supporting the use of call centres as a means of delivering better services more cost effectively. Departments are expected to account for their adherence to the guidelines. The Office's guidance anticipates that the Cabinet Office will carry out reviews of departments' public sector use of call centres and that compliance with the guidelines would be part of these reviews. As at July 2002 no reviews had been carried out. The guidelines state that the Cabinet Office will also make available and publish a single directory of all central government call centres together with contact details and opening hours. A pilot of the directory has been available on the Cabinet Office's website, since July 2000 (Figure 5) but it has not been updated and some of its information on opening hours is incorrect, difficult to find and only available to those who have access to the internet. The Office of the e-Envoy intend to review the guidelines and the need for a call centre directory by the end of 2002-03.

- **Office of Government Commerce** has negotiated framework agreements which departments can use to purchase IT and software and associated consultancy services for their call centres.

- **COI Communications** advises on, procures and manages departments' publicity and marketing requirements. It can provide procurement, project management, monitoring and evaluation services across contact centres. It maintains framework agreements with companies providing advertising, marketing and associated operational services which include 28 companies that can provide contact centres. Departments and agencies who set up a call centre or helpline can use these agreements, for example as part of their general marketing or customer contact programmes, or if they need to put in place a service fairly quickly, or to help support an existing call centre function with overflow work. The Passport Agency initially used these agreements to establish its Adviceline in 1999 and COI Communications then continued to work with the Agency to develop the service. COI Communications also manages around 40 outsourced call centres and helplines on behalf of departments.

The willingness of the public to use call centres

- 1.6 Almost everyone in the UK has access to a telephone and therefore should be able to access public services through a call centre. The extent to which people are willing to do so may vary depending on their experience of trying to contact other call centres and the quality of service that they received.

4 Office of the e-Envoy guidance on call centres covers:

- why public sector organisations should consider setting up call centres;
- guidelines for effective implementation;
- technical standards;
- procurement guidelines;
- staffing call centres.

Source: Office of the e-Envoy, May 2000

5 Extract from Cabinet Office Web site providing details about central government call centres

Service & link to web site address	Telephone number	Telephone Service hours	Target for calls to be answered 2000-01	Email address
Benefits				
Child Benefit	08701 555 543 (toll free) (0991 225 1833 (local phone))	0830-1830 Mon-Fri	5 rings	ChildBenefit@HMCA.gov.uk
Child Support Agency	08457 133 133	0800-2000 Mon-Fri 0800-1700 Sat	80% of calls first time	csa.enq@csa.gov.uk
Welsh language enquiry line	0845 713 0001	0800-1000		WelshEnq@csa.gov.uk

Source: <http://www.servicefirst.gov.uk/index/directory.htm>

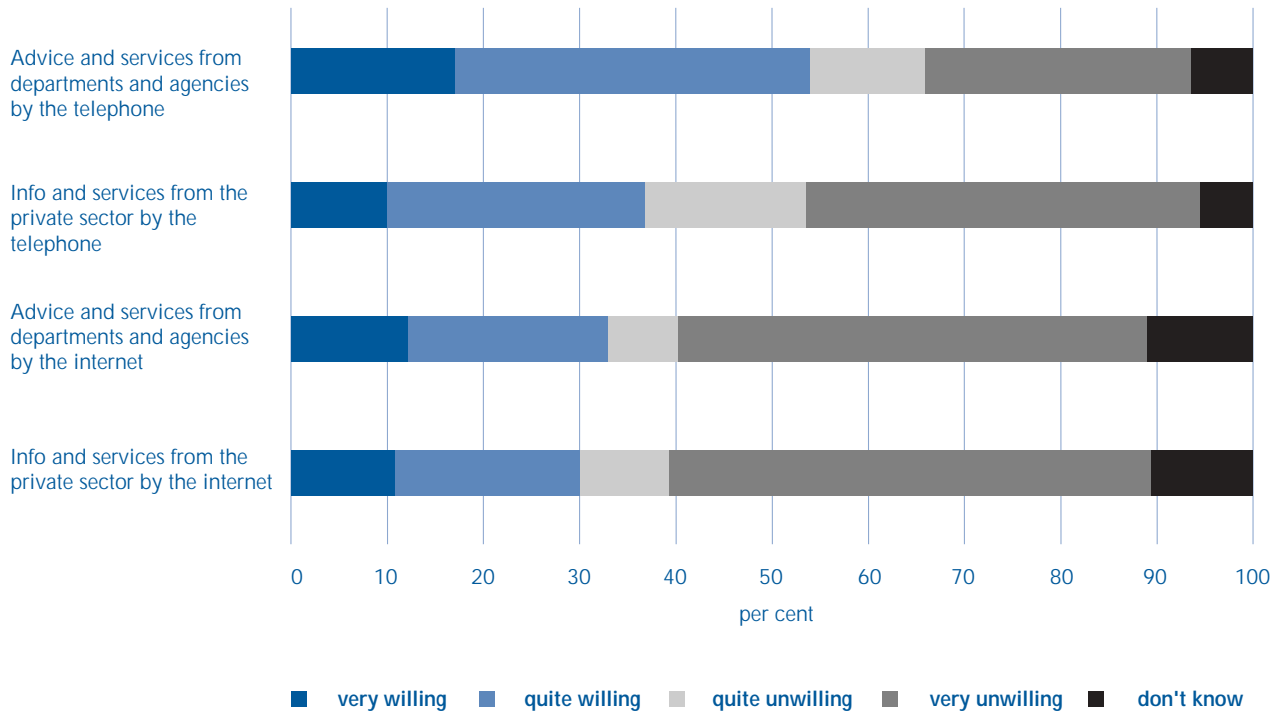
We, therefore, commissioned an omnibus survey⁹ of around 2000 members of the public representative of the UK population over 15 years of age to find out more about their general attitude to call centres and their attitudes towards and experiences of using public sector call centres. The survey indicated that:

- Nearly 60 per cent of the public said they were willing to receive advice and services from departments over the telephone. They were more willing to do this than receive advice and services via the internet. (Figure 6)
- Of the 40 per cent who said they were unwilling to receive information through a call centre their main reasons were that they (i) preferred to deal with someone in person (17 per cent); (ii) had tried and could not get through or found the services to be unacceptable (8 per cent); or (iii) wanted to receive information in writing (6 per cent). (Figure 7)
- Almost 80 per cent wanted their call dealt with by a person rather than an automated service; and of these 33 per cent thought it was never acceptable to have an automated service.

⁸ Guidelines for UK Government Call Centres: Best practice guidelines for the use, management and design of UK public sector Call Centres, Office of the e-Envoy, May 2000.

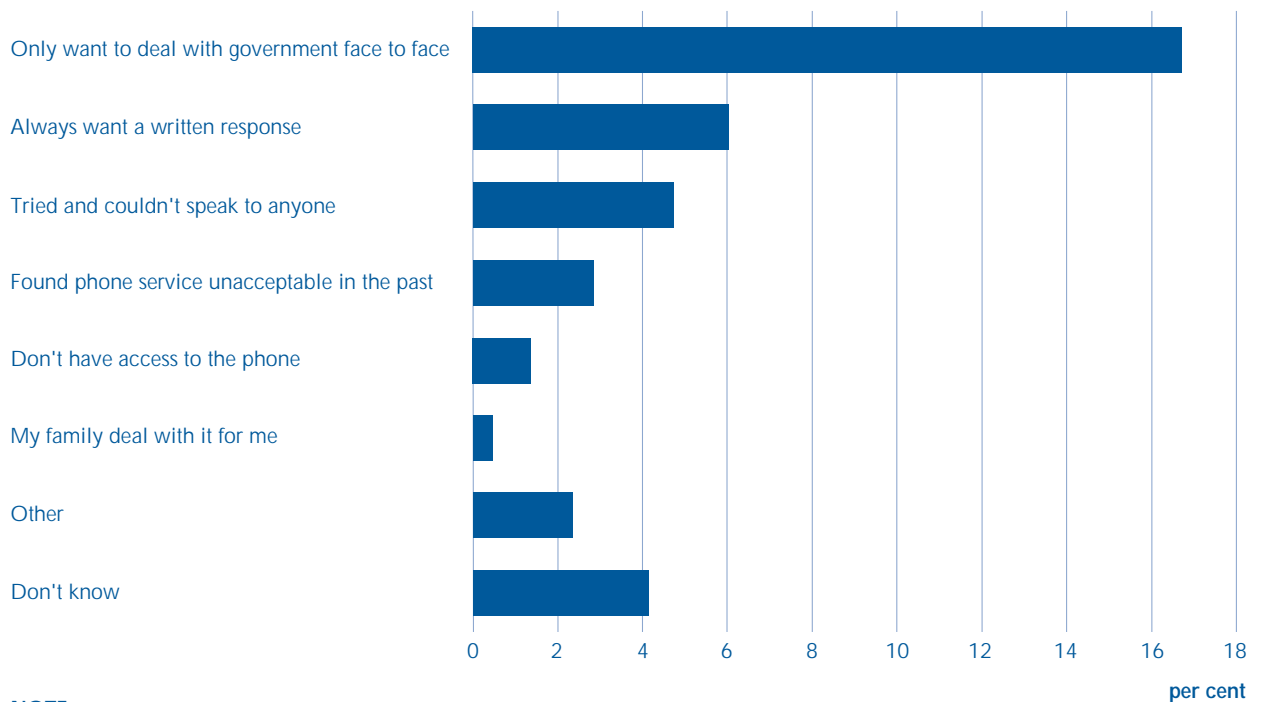
⁹ The Capibus omnibus survey was carried out between 1st and 7th of March 2002 by IPSOS-RSL.

6 The public are more willing to receive advice and services over the telephone from departments than over the internet



Source: NAO omnibus survey carried out in March 2002

7 Why some of the public are unwilling to use the telephone



NOTE

1. Respondents to this question were able to give more than one answer

Source: NAO omnibus survey carried out in March 2002

- Twenty per cent of those surveyed had contacted a department, agency or local authority by telephone for a range of services over the last year (**Figure 8**). Of these 83 per cent said that their call had been dealt with well or reasonably well; 67 per cent had had their query resolved and for 13 per cent the query was resolved but they needed to take further action themselves. Only 13 per cent said that their enquiry had not been satisfactory dealt with. Ninety four per cent considered that the agent had been polite or reasonably polite (**Figure 9**).

How we approached the study

1.7 As the omnibus survey indicated that a large proportion of the public are reasonably willing to receive a range of services by telephone our examination focused on the quality and cost of public services delivered through departments' call centres based on:

- a factual survey of 133 departmental call centres to benchmark their performance (**Part 2**); and
- more detailed examinations for four call centres¹⁰ - Child Benefit Centre Enquiry Line (**Part 3**); the Driving and Standards Agency Information and Booking Service (**Part 4**); the Environment Agency's Floodline Service (**Part 5**); and the UK Passport Agency Adviceline (**Part 6**).

More detail on the methodology is provided in Appendix 1.

8 The main services which people telephoned for

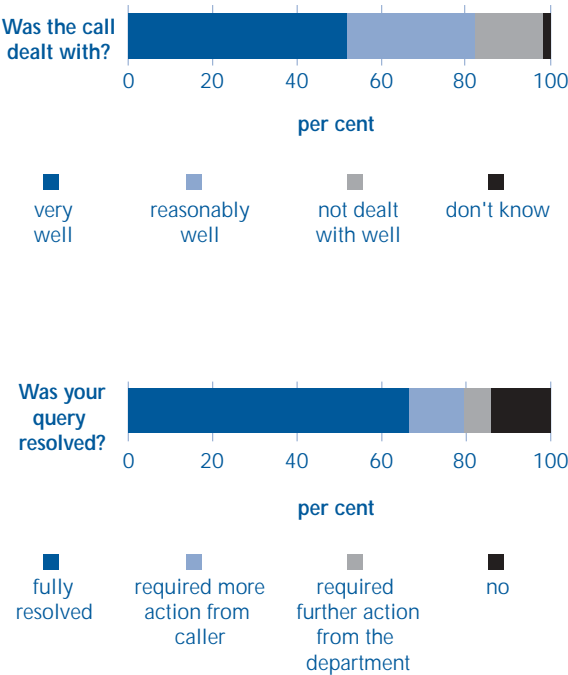
	% of callers
benefits	16
local government	15
health advice	14
national insurance, family credit and tax	13
driving licences and driving tests	9
passports, visas or travel advice	7
pensions	5
jobs and employment advice	4
child support	4
education	1
other	8
refused to give the subject	3
TOTAL	100

NOTES

1. Respondents were asked about the last time they had contacted a service.
2. The subjects are grouped in the manner that the public considered them to be related.

Source: NAO omnibus survey carried out in March 2002

9 The public's view of the quality of service they received from government call centres



Source: NAO omnibus survey carried out in March 2002

Part 2

How departments use call centres to deliver services

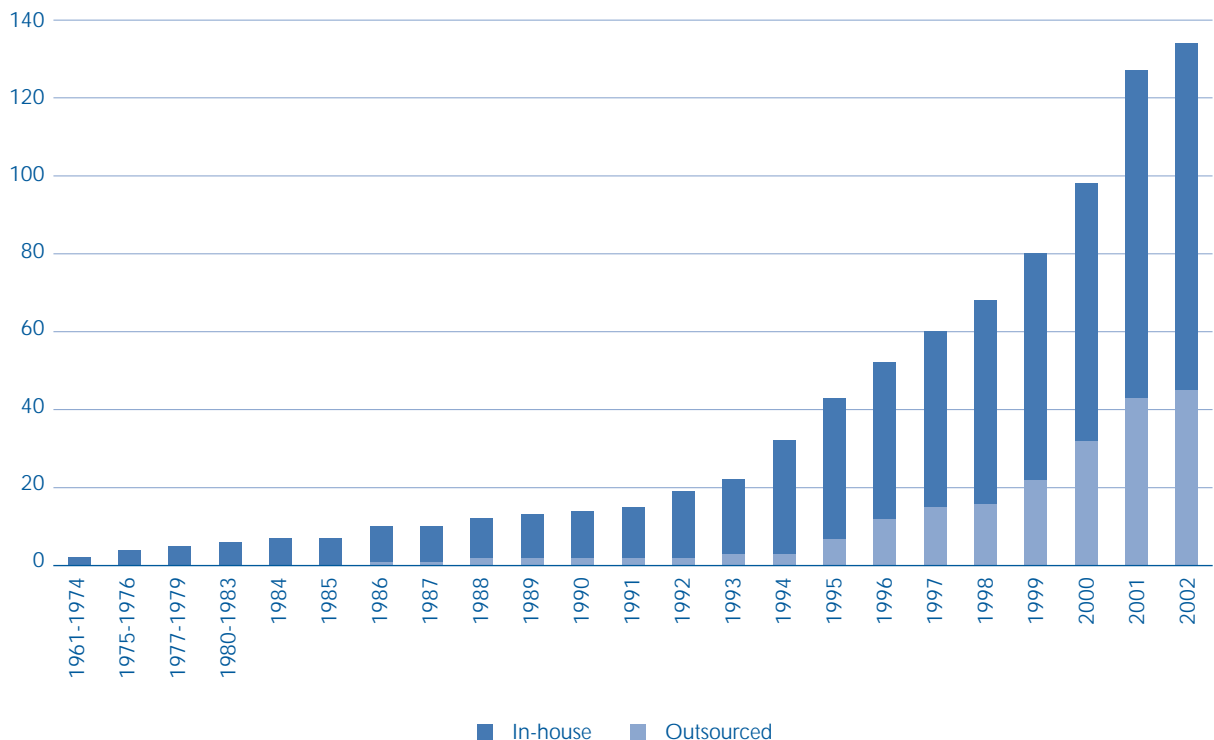
2.1 To assess the extent to which call centres are used to deliver public services, and to compare their performance we surveyed departments, agencies and non-departmental public bodies (departments) in April 2002. We obtained information on 133 departmental call centres and six local authorities also completed the questionnaire to provide comparative information on their eight call centres. The findings from the survey are set out in this part of our report.

The services which call centres provided

2.2 Prior to establishing call centres departments dealt with enquiries by post or the public telephoned staff often in a network of local offices. The majority of call centres are provided in house by departments but 45 are contracted to the private sector to manage¹¹ (Figure 10). Over the last three years the number of telephone calls to departments' call centres has increased from 67 million to 95 million.

10 The private sector operates 45 call centres on behalf of departments

Total number of Call Centres



Source: NAO survey of call centres

¹¹ For the remaining 88 call centres, the management of the call centre is in house but some of the components of the call centre may be provided by the private sector, for example the IT may be supplied by a PFI partner.

11 Location of departmental call centres



NOTE

Some call centres are located in more than one place, but operate as one centre for example the Driving Standards Agency Information and Booking Service is based on sites in both Newcastle and Cardiff and both locations are shown above

Source: NAO analysis of survey responses

12 A member of the public may telephone call centres for many reasons



Source: NAO survey of departmental call centres

2.3 Departmental call centres are located throughout the UK and none are overseas. A few are based in London but these are relatively small for example, the Department of Trade Industry Enquiry Unit which has 13 agents. Larger call centres have tended to be based in the North of England or Scotland (Figure 11).

2.4 The public may contact call centres for a range of services (Figure 12). Some may have to contact a centre several times a year particularly if they are unemployed or claiming benefit. Others may need to telephone less frequently (Figure 13). The type of calls varies from those simply requiring information to those requiring specialist advice or help. The nature of the call will influence the type of staff needed to handle calls and some have to be supported by expert systems to provide access to a range of information. NHS Direct for example, has to rely on health professionals with considerable back up (Figure 14).

13 Customers vary how often they telephone call centres



Source: NAO survey of departmental call centres

14 Call centres deal with five main types of call

	Number of call centres providing the service	Number of calls per year (million)	Examples of the type of call centre
1. Calls which request literature	11	1.6	Legal Services Commission's Leaflet line. Department for Education and Skills' Publications Helpline.
2. Calls where the agent needs to collect simple information from the caller	7	2.3	Office of National Statistics Certificate Services Contact Centre answers general enquiries about family history research and takes orders for birth, marriage and death certificates. Department of Trade and Industry Enquiry Unit answers frequently asked questions and acts as a referral service.
3. Calls where the agent dealing with the call needs to collect more detailed information from the caller or may book appointments and take payments	17	21.3	National Blood Service donor service checks whether the session that donors have been invited to is still on or changes it to an alternative session. The HSE Incident Contact Centre takes reports of injuries, diseases and dangerous occurrences for the HSE and local authorities.
4. Calls where the agent provides simple information and advice to the caller, which can be best done using automated prompts	68	52.4	Jobseeker Direct carries out job searches using the national labour market database. Trade Partners UK Enquiry Service provides information on doing business overseas, including key contacts and sources of further information.
5. Calls where the agent, such as a counsellor or health professional, provides more detailed information and advice tailored to the specific needs of the caller with support from expert systems or on-line information databases	30	17.4	NHS Direct, CALM - a helpline for depressed men at risk of suicide, and the National Domestic Violence Helpline.
Total	133	95	

Source: NAO survey of departmental call centres

How easy it is for the public to access call centres

2.5 The public will only benefit from call centres if the services, which they provide, are sufficiently well publicised and people know whom to telephone. Call centres also need to be open at times convenient to the people who are most likely to use them. Our survey found that:

- **Advertising call centres and the services they provide.** Call centres publicise their services in a number of ways. Ninety-four per cent advertise their telephone number in leaflets and pamphlets and on official forms; 92 per cent use the internet; 67 per cent also advertise in the press; and 37 per cent on television and radio. Only 14 per cent have their number in telephone directories, which most people consult first in looking for a telephone number. A few call centres used innovative ways to make people aware of their services for example, the Community Legal Service advertised on the back of bus tickets.

- **When call centres are open.** Thirteen call centres (10 per cent) were open 24 hours all year, these included Floodline (Part 5) and the UK Passport Service Adviceline (Part 6). With the exception of NHS Direct and MET Office all call centres open 24 hours were contracted to the private sector to operate. The nature of the service usually determines whether it needs to be available 24 hours for example, MET Office provides a service to promote safety in the air, at sea and on land which the public may need to consult at any time of the day. When deciding opening hours, departments need to identify the level and pattern of calls from the people who are most likely to use their call centre.

Thirty-one call centres (23 per cent) opened 7 days a week and some 65 (just under 50 per cent) opened 9am - 5pm Monday to Friday. Some services such as the Land Registry Telephone Service, which takes requests from solicitors for detailed searches, can reasonably be expected to open only during office hours¹². Very few call centres monitored the number of calls they received outside their opening hours even though this is a fairly good indicator of when the public might reasonably expect the centre to be open.

12 The Land Registry anticipates piloting a change in opening hours, from 08:30 to 20:00 Monday to Friday and 08:30 to 13:00 on Saturdays from January 2003.

- **Making sure no-one is excluded from using a call centre.** Those who are not fluent in English and those with hearing difficulties may not find it easy to access services by telephone. Forty-three per cent of call centres only provided their services in English; 53 per cent provided a translation service; and 4 per cent had dedicated helplines usually for Welsh speaking callers. Most call centres, however, receive only a limited number of calls that are not in English - the exception was the NHS Asian Tobacco Line where 76 per cent of calls were not in English. Only 29 per cent of call centres had no arrangements such as text type for callers with hearing difficulties. One example is the Health Costs Adviceline which provides the public with information about entitlement to help with NHS charges.
- **Charging for calls.** Fifty per cent of calls to call centres are charged at a local rate; 34 per cent at national call rates; and 14 per cent (18 centres) were free of charge. The latter are usually for more vulnerable people such as the elderly calling the Winter Warmth Line and the Minimum Income Guarantee Claimline.

Call centre costs

- 2.6 In 2001-02 departments spent over £353¹³ million on call centres with the costs of the individual call centres ranging from £10,600 for the Meat and Livestock Commission's Foot and Mouth Helpline, which operated from March to May 2001, to some £114 million for NHS Direct. Departments should be able to identify the costs of their call centres in order to assess the cost-effectiveness of their operations. Twenty four (18 per cent) of the call centres could not provide information on their costs, either because the costs were part of a larger outsourced service and could not be disaggregated, for example, the Driving Standard Agency's theory test service or departments' financial systems were set up so that the costs of the call centres were amalgamated with costs for other parts of the department and could not be separately identified.
- 2.7 As call centres have different types of transactions and calls take different lengths of time we compared departmental costs using a standard basis of cost per call minute¹⁴. We analysed the data for 73 call centres (55 per cent) which measured both their costs and the average length of calls (**Figure 15**). Twenty-one call

15 Variation in the cost per call minute

£ per minute



NOTE

1. Each bar shows the cost of one call centre. Analysis covers 73 out of 133 call centres. Cost information for 24 call centres was not available.

Source: NAO survey of call centres

¹³ In responding to the NAO survey 109 call centres (82 per cent) provided information about their costs. The total cost includes NAO estimates of the costs for those call centres who did not provide data based on the average cost of call centres employing an equivalent number of agents.

¹⁴ Cost per call minute is the cost incurred in handling each minute of a call. When calculating the total cost of each call centre, we have taken the 2001-02 costs for staff, IT and telecommunications technology, training, accommodation and, where the call centre is outsourced, the costs of managing the contract. We have excluded earlier set up costs and the costs incurred in dealing with callers' requests once the call is complete for example, to send information to them through the post.

centres had a cost per call minute of £0.60 or less, 23 between £0.50 and £1; 26 had a cost of between £1-£5; and three had a cost per call minute of more than £5 (Figure 16). All the local authority call centres had costs of less than £1 per minute. There were no significant differences in the costs of in house and outsourced call centres.

2.8 The differences in the call centre costs we have calculated may be explained by:

- **the expertise of the staff who take the calls.** Some call centres delivering specialist services employ more expensive professionally qualified staff to take calls, for example NHS Direct employs nurses and health specialist advisers;
- **the complexity and sensitivity of the calls handled.** Some call centres handle calls from the public which by their nature will require a relatively long time to deal with for example, the provision of financial advice or counselling services;
- **organising the centre to deal with planned short-term peaks, for example in response to television adverts.** To handle very short-term high levels of calls requires call centres to deal with large scale fluctuations in the demand for staff. This is usually done usually using outsourced bureau services, and the costs charged by the contractors will reflect costs of transferring the risks of fluctuating call volumes;

- **the extent of the training given to agents.** All call centre staff need to be trained in how to handle calls from the public; to operate IT support systems as well as developing customer relationship skills;
- **the amount and type of IT support.** Complex call handling equipment and additional bespoke support systems providing automated prompts and collecting information from callers tend to be more expensive than using existing enquiry systems. More sophisticated IT support and the use of automated call handling equipment may however make it possible to handle large numbers of calls more quickly and reduce the need for more highly graded staff; and
- **the size and location of the accommodation** that the call centre occupies, which will depend on the number of agents taking calls, but costs are broadly similar whether the call centre is outsourced or provided in-house.

2.9 Staff represent the largest proportion of call centre costs. A global benchmarking survey¹⁵ in 2001 identified that an average call centre spent 66 per cent of its operating budget on staff. The equivalent figure for departments' in-house call centres was 77 per cent and 56 per cent for those outsourced (Figure 17).

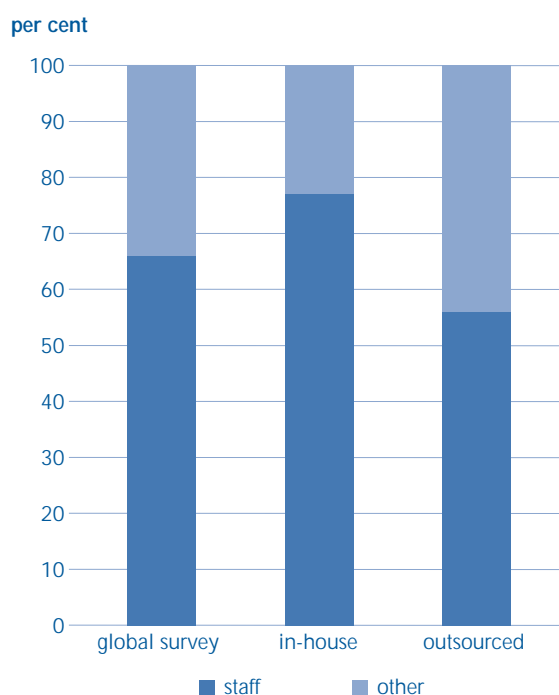
2.10 Call centre costs will also be influenced by the way calls are handled and the overall quality of service provided. A number of trade offs are often necessary such as:

16 The three call centres with the highest cost per call minute

	Cost per minute
Equality Direct - a new outsourced service started in January 2001 that initially had very low numbers of calls. The calls have, however, been steadily increasing each month since the service started.	£27.50
Electronic Integrated Arable Compensation Scheme Helpdesk - a short-term call centre at the Rural Payments Agency, in operation from February to May 2002, which took calls concerning an electronic form for lodging claims under an EU compensation scheme.	£23.00
Contact a Family - an outsourced call centre that provides information and advice on medical conditions affecting children for parents and carers of children with disabilities, and puts families in touch with other families, support groups and specialist voluntary organisations.	£10.50

Source: NAO survey of departmental call centres

17 Staff costs as a proportion of all call centre costs



Source: Merchant Global Benchmarking 2001 survey and NAO survey of departmental call centres

- **the relative proportion of calls answered by automated services and by agents.** Having agents answer calls is much more expensive than using an automated service, however automated services can only deal with a limited range of enquiries and long, complex routes through automated systems can discourage callers from using the service.
- **the speed with which the calls are answered.** For example, having a service level where 90 per cent of calls are answered by an agent within 15 seconds requires more agents to take calls than a service level of 80 per cent of calls answered within 20 seconds. Consequently, more demanding service levels usually lead to higher staff costs.
- **the length of time the agent takes to deal with each caller can vary.** Agents can take more time to ensure that they have answered all the caller's questions and volunteered additional information, for example explaining how to get to the Passport Office. Alternatively agents can try to deal with calls as quickly as possible which may reduce the number of agents needed to answer calls, but may generate more follow up calls from the public to ask for extra information or to seek clarification.

Quality of service

2.11 If those telephoning a call centre are to receive a quality service, four basic requirements have to be met (Figure 18). The public's expectations of quality are often influenced by their experience of the private sector, particularly the retail and travel industries where companies to maintain and extend their customer base

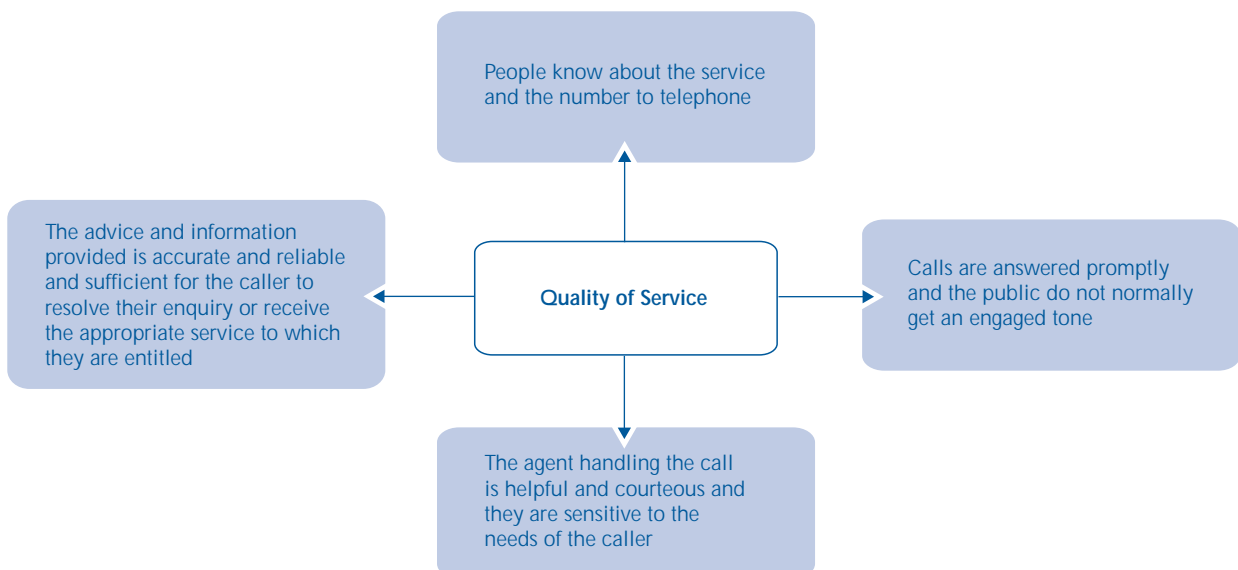
seek to improve their services including those which are provided by call centres. In the private sector consumers can often express their views on quality by switching to an alternative supplier. With the services provided by public sector call centres there is usually only one supplier and so this is rarely an option and it is therefore important that reliable measures exist to provide departments with assurance that their call centres are delivering services of appropriate quality.

2.12 Our survey found that call centres generally monitor quality of service in seven ways which can be broadly grouped into those which measure the time taken either to answer or respond to a call, and those which assess the quality of the content of the response or its outcome (Figure 19). The most common methods were monitoring performance using a number of measures (83 per cent of call centres); listening to calls either with or without the knowledge of the person taking the calls (71 per cent) and monitoring customers' complaints (Figure 20).

2.13 Call centres use of the various approaches to assessing quality differed. For example:

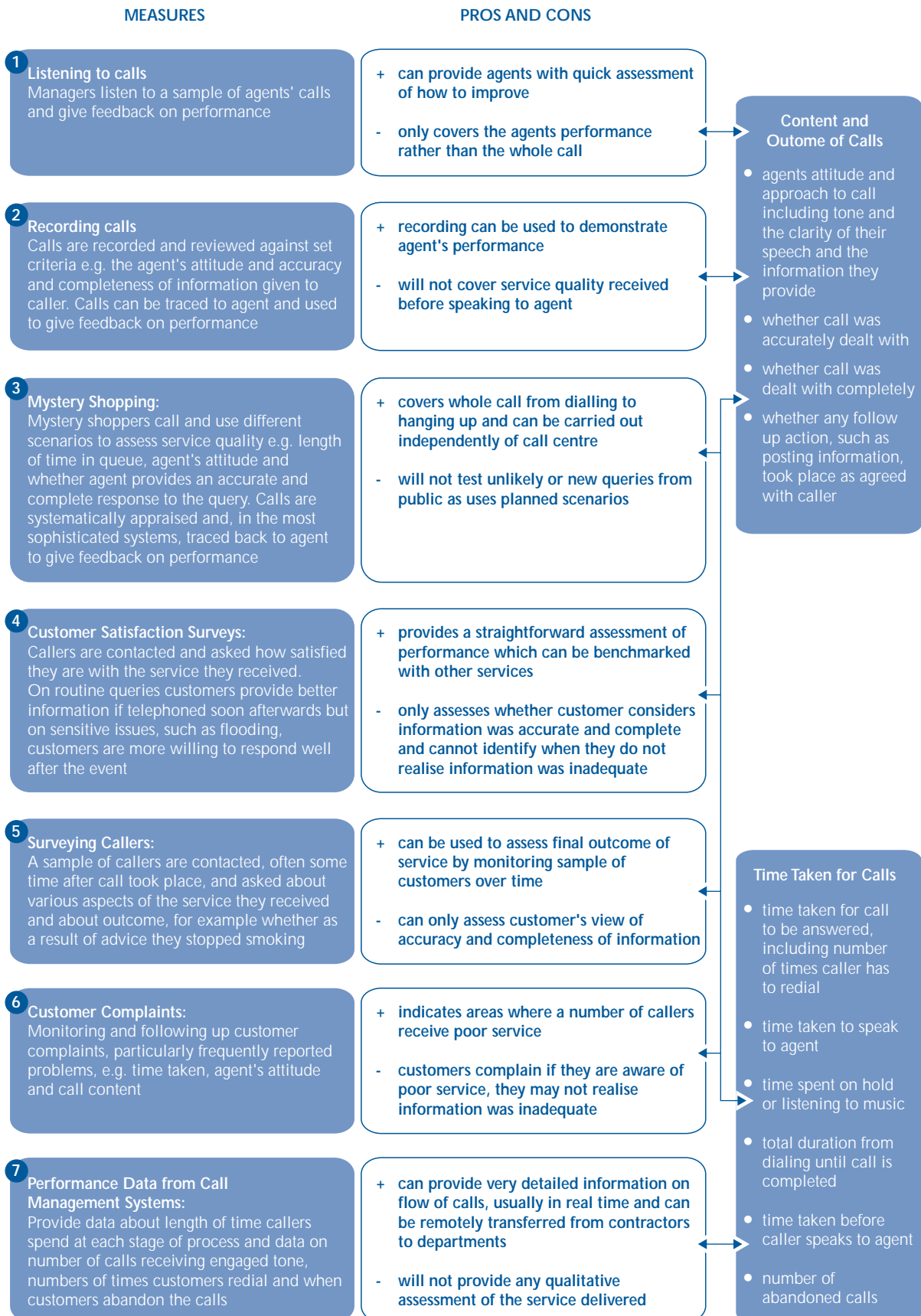
- **On listening to calls.** The 95 call centres (71 per cent) that did this used the results to identify training needs and provide feedback to agents on their performance rather than form overall assessments of the quality of service.
- **On recording calls.** Some 47 call centres (35 per cent) recorded calls to review later but these were generally used to coach and train agents rather than as a tool to review and report quality.

18 The four main quality requirements in delivering services through call centres

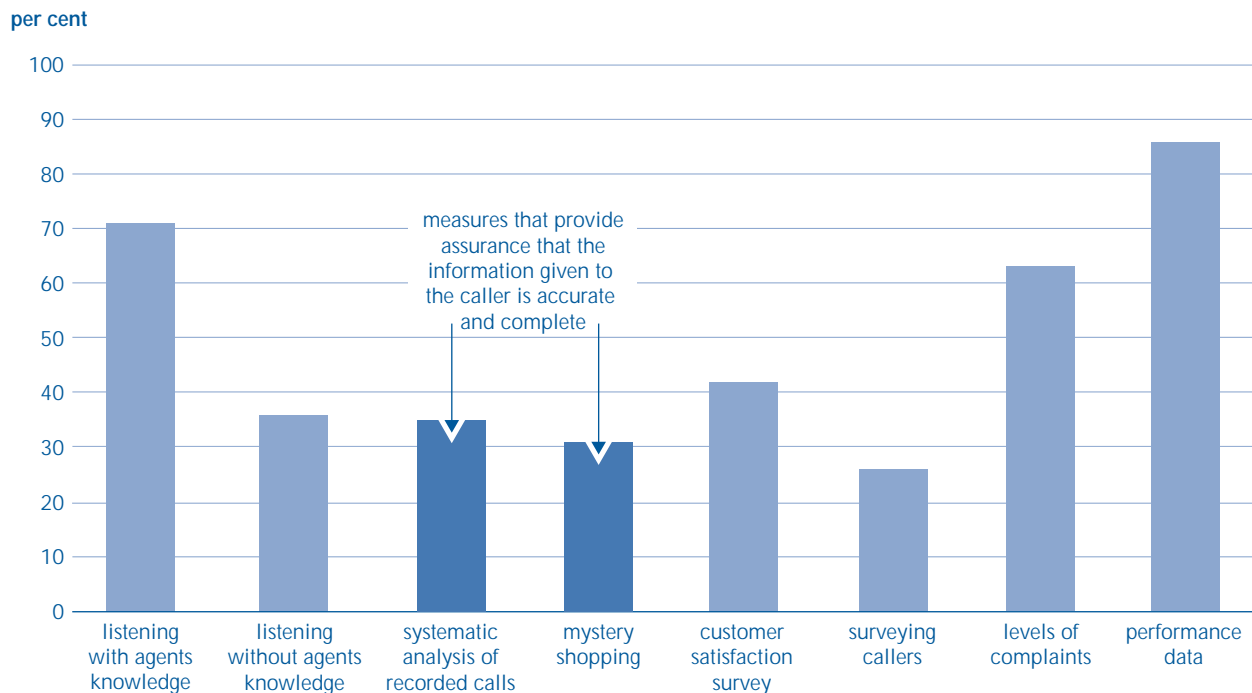


Source: NAO

19 Seven ways by which call centres measure the quality of their services



20 Call centres use a range of measures to monitor quality of call handling



NOTE

Call centres use more than one measure

Source: NAO survey of departmental call centres

- **On mystery shopping.** Some 41 call centres (31 per cent) used this to benchmark their quality of service against other similar call centres. Twelve centres in responding to our survey could report the results of their mystery shopping which in one case, the Driver and Vehicle Licensing Agency, indicated that its centre was within the top 10 per cent of call centres and of the sample of calls tested 78 per cent were correct and 22 per cent incorrect indicating the need for improvement.
 - **On customer satisfaction.** Some 56 call centres (42 per cent) measured this and 29 could report the results in responding to our survey. Aspects of quality measured included - promptness with which calls were answered, speed with which the enquiry was dealt with, the overall knowledge of the agent handling the call and their overall courtesy. Satisfaction levels averaged at 89 per cent in a range of 71 per cent (the Driver and Vehicle Licensing Agency) to 99 per cent (the Child Support Agency National Enquiry Line, Liverpool).
 - **On surveying callers.** Some 34 call centres (26 per cent) did this and the survey included not only customer satisfaction but also, in a small number of cases, the outcome of the call. For example, the NHS Smoking Helpline found that 24 per cent of callers reported that they had not started smoking again 12 months after telephoning the helpline.
 - **On monitoring complaints.** Some 85 call centres (64 per cent) did this and investigated whether the complaint was valid. Generally, however, complaints were not analysed by type to determine whether there was an underlying problem, trend or issue that needed to be resolved.
 - **On monitoring performance against a range of measures.** One hundred and sixteen call centres (87 per cent) did this. The Office of the e-Envoy recommends that call centres monitor their performance using a range of measures (Figure 21). Our survey identified 11 measures which were used most frequently and these tended to cover: the time taken to answer calls whether by automated services or by agents, how they were dealt with, whether the calls referred to another organisation and the average length of calls (Figure 22).
- 2.14 Seventeen call centres were unable to provide information on their key targets and performance against these. Two were outsourced and the department did not routinely obtain such information from their contractor and the remainder did not monitor performance using the measures in Figure 22.

21 Public sector call centres should measure:

- number of calls where the caller is not able to be handled or referred (call cannot be resolved)
- % of calls answered in number of minutes
- % of calls abandoned
- number of calls where referred to another department
- number of calls redirected to other departments
- number of calls where the caller specified a language preference that was not met
- average length of completed calls
- % agent time spent taking calls
- % of calls given engaged tone or busy signal

Source: The e-Envoy's guidelines

2.15 While most call centres use one or more measures to monitor their performance and the quality of their services many do not use the measures recommended in the Office of the e-Envoy's guidelines. For example, many do not know the number of calls redirected or referred to other departments or the number of times a language preference is not met. The former would provide information on whether the public are well informed about which department is responsible for a particular service. Information technology can help solve such problems for example, the Driving Standards Agency use an automated system to redirect callers to the Driver and Vehicle Licensing Agency and vice versa.

2.16 In general, very few call centres' quality monitoring assessed whether the information given to callers was accurate and complete. Effective monitoring should be a continuous process that identifies trends in performance as a means of improving the quality of service provided to callers. The costs and resources involved mean that departments need to plan their approach to monitoring when they set up their call centre.

22 Eleven indicators used most frequently by call centres to measure their performance

Indicator	Number of call centres using the measure	Number of call centres with target level of achievement	Reported performance against the target	
			Average	Range
Time taken to answer calls	No	No	Percentage	Percentage
1 % calls answered within 20 seconds ¹	62	52	84	38 to 100
2 % calls answered within 30 seconds	41	27	80	50 to 100
3 % of calls not answered (abandoned)	83	57	9	0 to 50
How calls are dealt with				
4 % of calls resolved by the first agent	34	23	87	70 to 100
5 % of calls resolved by automated service	8	4	30	5 to 100
6 % of calls that cannot be resolved	27	8	2	0 to 15
Whether calls are referred to another organisation				
7 % of calls referred to other organisations ²	20	12	8	0 to 63
8 % of calls redirected to other organisations ³	15	8	4	0 to 37
9 % calls where the language requested could not be met	23	8	4	0 to 10
Length of calls				
10 Average length of completed calls	86	16	3 mins 52 seconds	1 minute to 13 minutes
11 % of agent time spent taking calls	36	16	59 %	9% to 100%

NOTES

- Some call centres provided us with information against other service levels, for example Floodline measures the percentage of calls answered within 15 seconds.
- When callers are referred to another departmental call centre they need to call a different number.
- When calls are redirected to another departmental call centre, the call is transferred without needing to redial.

Source: NAO survey of departmental call centres

2.17 Callers to some services, such as those dealing with tax, benefits and health issues, may make financial decisions or take action regarding their future health as a consequence of the information or advice they are given. It is therefore important that such information is consistently reliable. Although a high proportion of call centre managers listen into calls they will usually have received the same training and briefing as those taking calls and may not easily identify any inconsistency in the advice provided. This emphasises the advantages of quality monitoring involving a review of calls by some authoritative third party who is independent of the centre.

Operational efficiency - managing the volume of calls

2.18 The number of calls to call centres varies considerably. There are seven call centres taking over three million calls (**Figure 23**). The majority of call centres are, however, handling much lower numbers and 62 (46 per cent) deal with less than 100,000 calls each year.

23 Seven departmental call centres handle 40 per cent of calls

	million calls	% of all calls	number of agents ¹ trained to handle calls
Driver and Vehicle Licensing Agency	12.34	13.5	432
Tax Credit Office Helpline	6.04	6.6	410
Sexwise	5.73	6.3	250
NHS Direct	5.27	5.8	2,000
Jobseekers Direct	5.00	5.5	340
Attendance Allowance and Disability Living Allowance Helpline	3.77	4.1	289
Driving Standards Agency Information and Booking Service	3.40	3.7	140
TOTAL	41.55	45	3,861

NOTE

1. Not all trained agents will be taking calls at the same time.

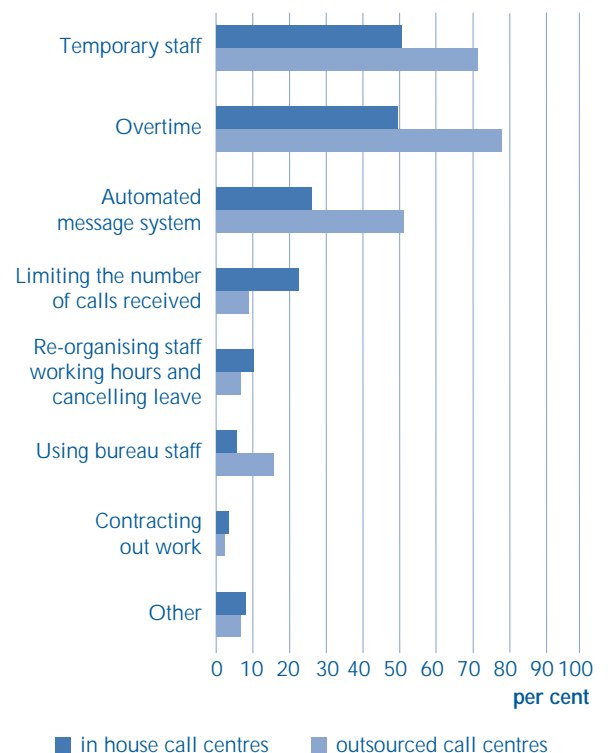
Source: NAO survey of departmental call centres

2.19 The volume of calls to around 70 call centres followed a fairly predictable pattern throughout the year. A small number (around 10) had a less predictable pattern, which was influenced by external factors such as media coverage for example, calls to the National Drugs Helpline were influenced by considerable media attention on drugs. Similarly calls to MET Office can be influenced by the weather. This unpredictability can

make it difficult to determine optimum staffing levels. For example, having too few staff can mean that the call centre cannot handle calls quickly enough; conversely staffing to handle the maximum likely number of calls can result in spare capacity and unnecessary costs.

2.20 Call centres deal with variable patterns of calls in different ways including staff working overtime, employing temporary staff and using automated message systems to provide a recorded message which tells callers how long they may have to wait. Automated systems are used much more extensively by call centres outsourced to the private sector (51 per cent of outsourced call centres) compared to in-house centres (26 per cent of in house call centres). Twenty in house call centres (22 per cent of in house call centres) tended to limit the number of calls by playing an engaged tone or fixing the queues to a maximum length after which callers cannot get through. In house call centres have more employees working flexible hours compared to the private sector which can make it difficult to staff adequately to meet peaks in calls. Private sector call centres are more likely to use managed flexible working agreed by staff and management to ensure that enough staff are working at all times to take calls (**Figure 24**).

24 How call centres cope with variations in the number of calls they receive



NOTE

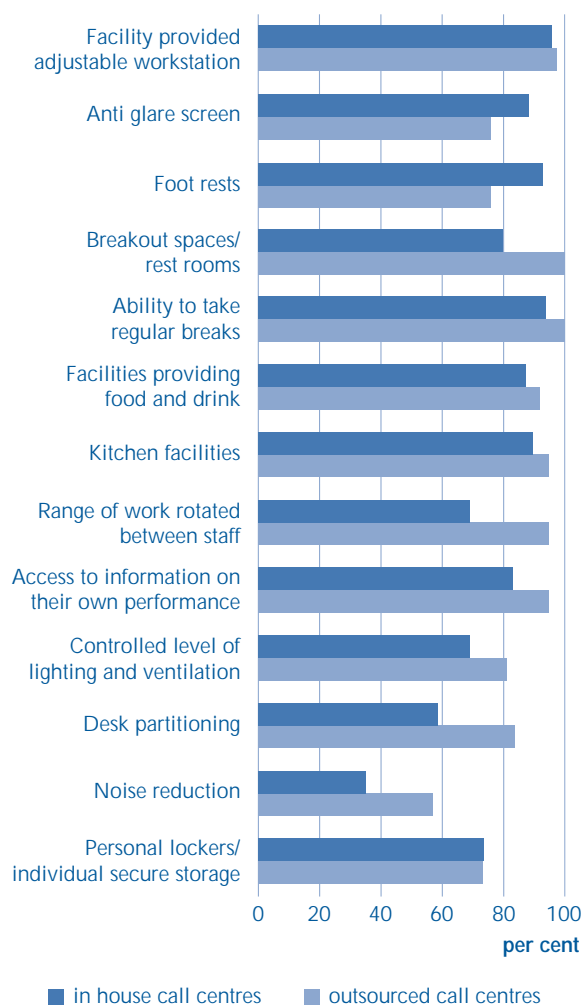
Respondents ticked all those options that were appropriate

Source: NAO survey of departmental call centres

Working conditions

2.21 The high volumes of calls typically handled, the often repetitive and routine nature of the calls and because large numbers of staff are usually housed in one building looking at computer screens have contributed to a public perception that call centres have poor working conditions. The NAO survey found that call centres provided a range of facilities which contributed to reasonable working conditions (**Figure 25**). The Trades Union Congress has reported that working conditions are improving in many call centres and UNISON and the Public Commercial Services Union told us that, as with all industries, some call centres are better managed than others and that those that worked most effectively were often the ones that had developed constructive and mature working relationships between call centre management, their staff and their union. Also the remuneration offered by both in-house and outsourced call centres is broadly comparable. There are pay differences between call centres often depending on their geographical location. These reflect departmental negotiations and regional labour markets and do not suggest that remuneration is less than the market rate for working in a call centre.

25 Call centre working conditions



Source: NAO survey of departmental call centres

Part 3

Child Benefit Centre Enquiry Line

Customers:	Parents and guardians
Types of call:	Requests for claim forms, requests for changes affecting their benefit, for example to change the way payments are made (from a Post Office into a bank account), to report lost order books, notify changes of address, and confirm that children have started work or further education.
Number of calls answered:	2.6 million in 2001-02
Number of staff:	241
Cost of call centre:	£4.9 million in 2001-02
Operational benefits:	The call centre takes all initial calls so that other staff are free to carry out case work without interruption by telephone calls.



- 3.1 Child Benefit is payable to parents and guardians of children from the birth of the child until he or she reaches 19 or leaves full time education. The benefit is non-contributory, tax free and is not means tested. In 2001-02 over 7 million families received £8.6 billion in Child Benefit for a total of 12.5 million children.

Child Benefit is paid each week at a flat rate of £15.75 for the first child and £10.55 for each additional child

- 3.2 **Why the service is delivered through a call centre.** The Department for Work and Pensions' operational divisions and agencies are responsible for the 29 call centres and helplines which are organised around separate services and benefits, for example the Retirement Pensions Teleclaims arranges pension forecasts and the Minimum Income Guarantee Helpline completes claim forms and answers questions about eligibility for benefit. The Child Benefit Centre set up the Enquiry Line in 1996 to take all enquiries about child benefit. Previously calls were taken by the 100 clerical sections based within the national Child Benefit Centre that handled the casework on initial claims and subsequent changes, or by an urgent message centre that received queries and passed them

on to the sections. By dealing with most calls from the public, the Enquiry Line has left the casework sections free to concentrate on processing claims and later requests for changes.

- 3.3 Prior to establishing the Enquiry Line the Department produced a business case to allow the Child Benefit Centre to respond to increasing customer demand to contact the Centre by telephone. The case considered the cost of introducing an automatic call handling system and potential staff savings from removing duplicate work from the clerical sections. It estimated that establishing the centre would generate £2.4 million of savings, but that the volume of calls would continue to grow and that during peak periods the centre would require 300 to 400 agents to take calls. At the time the business case was prepared, the Department was considering whether to outsource the whole of the Child Benefit Centre and the Centre, therefore, prepared a business case solely to secure the additional resources for purchasing the IT systems to handle the calls. The appraisal did not take into account the full costs of the different options for setting up the call centre, for example the impact of transferring staff from other work and training them in call handling, options for introducing different or additional IT support systems or whether to outsource part or all of the work.

- 3.4 **How the Enquiry Line works.** All work on Child Benefit is dealt with by 2,300 staff on one site in Washington, Tyne and Wear. Of these 241 are involved with the Enquiry Line. **Figure 26** sets out what someone telephoning the Enquiry Line (tel: 0870 1555540) would, typically hear. All calls are charged at national rate.
- 3.5 The Enquiry Line is open from 08:00 to 19:00. The Centre extended the opening hours, in October 2001, by changing the closing time from 17:30 to 19:00 to enable people to call in the evening - a time when many parents tend to be at home and are more likely to be able to call. People who call outside opening hours hear a recorded

message giving the extended opening hours, but the Child Benefit Centre did not change the opening hours in their application packs and did not change the entry on the Department's website until September 2002. As a result there were very few calls in the evening. The Centre prefers to notify such changes to their customers in an annual letter, sent between October and March, containing details of the new rates of benefit effective from the following April. Due to publication lead times, the earliest opportunity to ensure all customers were informed of the extended opening hours was from November 2002.

26 Telephoning the Child Benefit Centre Enquiry Line



- 3.6 A translation service is offered for all languages to callers who do not speak English. In 2001-02 the Enquiry Line handled 464 calls in 35 languages of which the most frequent were Punjabi and Urdu. A text type service is provided for customers who have difficulty in hearing.
- 3.7 **How the public are informed of the service.** The Department publicises the entitlement to child benefit and the service provided by the Enquiry Line by arranging for leaflets and application forms to be given to all mothers who have just given birth as part of the "Bounty Pack" - a package of health and benefits and free samples of baby care products which are given to all new mothers. The Department also makes information about the Enquiry Line available on its website, in local benefit offices, and in telephone directories.
- 3.8 **Costs.** In 2001 the Enquiry Line cost £4.9 million of which 84 per cent related to staff and two per cent to IT (Figure 27). Compared with other call centres expenditure on IT is small reflecting that the Enquiry Line relies on relatively old IT systems. The cost per call answered was £1.91 and cost per call minute £0.43 - around the industry average of £0.31 to £0.50.
- 3.9 **How the volume of calls is managed.** The number of calls to the Child Benefit Centre varies over the year (Figure 28). Parents of children who are 16 and above have to confirm that their children are remaining in full-time, but not higher, education to continue to receive benefit. When 16 and 17 year olds receive their GCSE results and decide whether to go back to school or college parents telephone the Centre leading to peaks in August, September, and October. In January parents telephone after receiving a letter notifying them of uprated benefits or because their 16 and 17 year old children are starting to attend college depending on the results of exam re-sits. Calls also vary over the week with peaks on Monday and Tuesday around 9:00 to 11:00 and 15:30 to 17:00.
- 3.10 All calls are answered by an automated call handling system or the caller hears an engaged tone. To help control the workload, the Call Centre restricts the number of callers waiting in the queue to speak to an agent. Once this level is reached, the next caller hears an engaged tone. Callers hearing an engaged tone tend to redial and although callers may redial many times they may or may not have their call answered that day. The number of calls that the Centre can handle at any one time depends upon the number of agents working. Figure 29 shows the proportion of calls answered over two days in 2001, one day with a very high volume of

27 Breakdown of costs

	£ 000	Per cent
Staff	4,166	84
Accommodation	648	13
IT	84	2
Training	58	1
Telephone	N/A	
TOTAL	4,957	100

NOTE

The Centre was unable to extract telephone call costs which are incorporated as part of a larger charge for all the Department's costs for the Newcastle area.

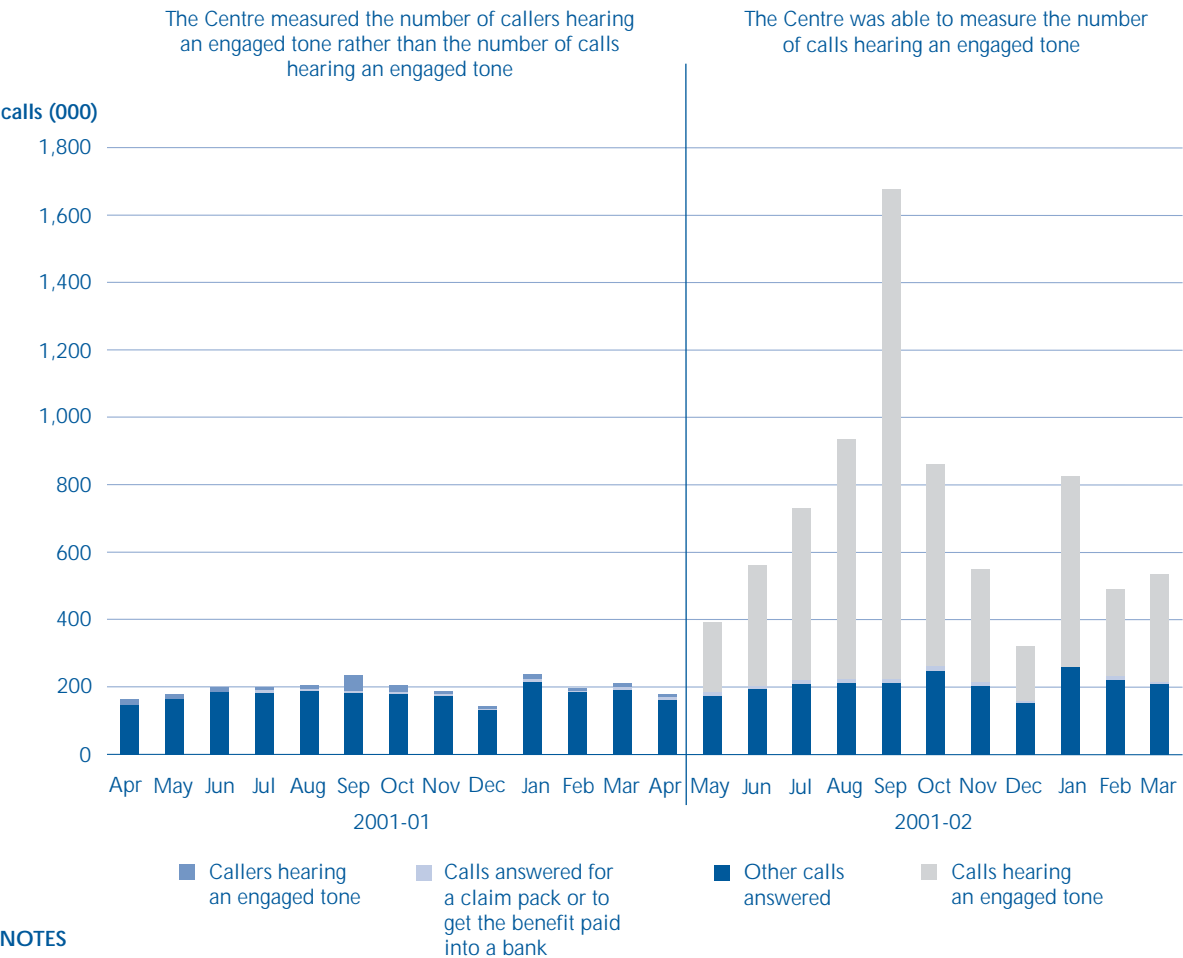
calls and another with a low volume of calls illustrating the wide range in demand that the call centre faces. On both days many of the calls received an engaged tone, particularly during the morning and afternoon peaks. The call centre does not have software, however, to help forecast call volumes and predict the number of agents needed to take calls. The Department's central Contact Centre Advisory Team is introducing such software into all their call centres starting with the Child Benefit Centre before the end of 2002-03. In 2001-02 the Centre answered 2.6 million calls but between May 2001 and the end of March 2002, 5.4 million calls received an engaged tone (Figure 28). The Centre does not know how many times these callers had to redial and whether they subsequently got through to an agent.

- 3.11 Eighty per cent of the 241 agents taking calls in the Centre work flexi-time and set their own start and finish times. Currently full time staff must work a minimum of 5 hours per day and each day advise management of their planned daily working pattern. The Centre is encouraging staff working flexi-time to take part in a voluntary rota and has been negotiating with the Trade Union to agree working arrangements which better match the pattern of calls. In addition the Centre has recruited around 50 staff to work fixed shifts, either full or part time, to improve its ability to match the number of agents to calls, and to cover the extended opening hours. The Centre has very low staff turnover¹⁶. Using only staff turnover at present rates, it may take some years before there are sufficient agents working fixed shifts to allow the Centre to match the staff to the number of calls it receives. In the meantime the Centre has limited ability to ensure that there will be sufficient staff taking calls at peak times.

16 Staff turnover in 2001-02 just over 3 per cent.

28 The number of calls to the Child Benefit Centre Enquiry Line peaks in the Autumn

Every month there are significant numbers of callers who hear an engaged tone



NOTES

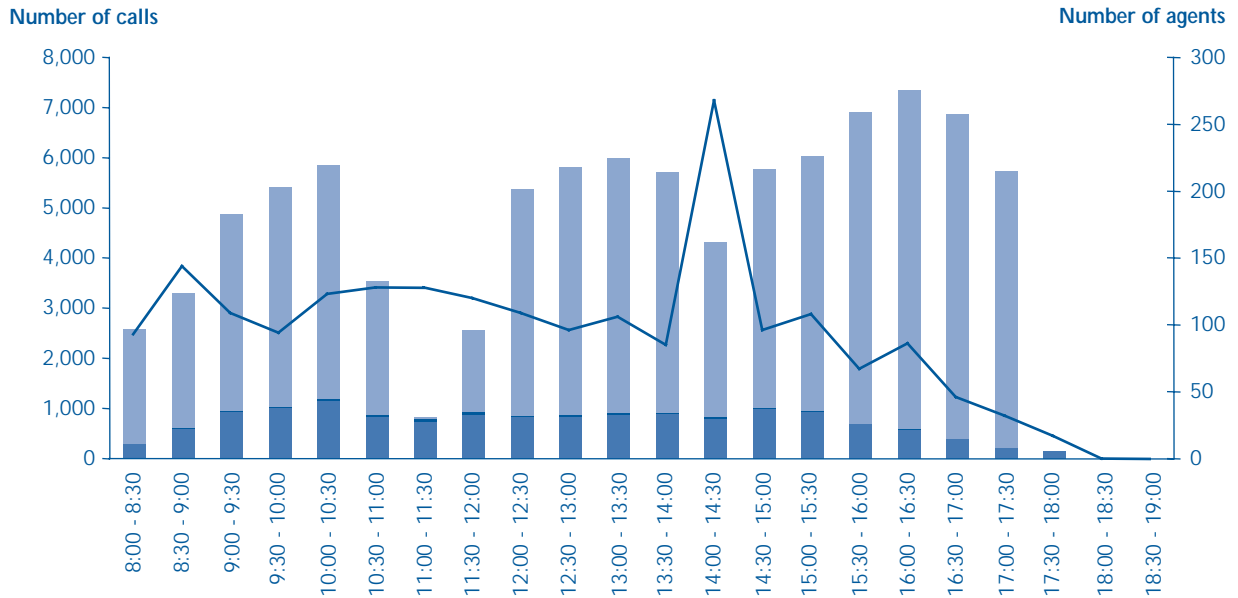
1. The Child Benefit Centre can break down the type of calls answered each month into calls for benefit application packs, arranging for payment into a bank account rather than by order book and others which include reporting lost order books, changing address details, confirming children remain in full-time education and other requests for changes affecting their benefit. The peak in September coincides with children starting the new school year.
2. Prior to May 2001 the Child Benefit Centre did not measure and could not provide the NAO with the total number of calls receiving an engaged tone and instead measured the number of callers hearing an engaged tone after removing redialled calls.

Source: NAO

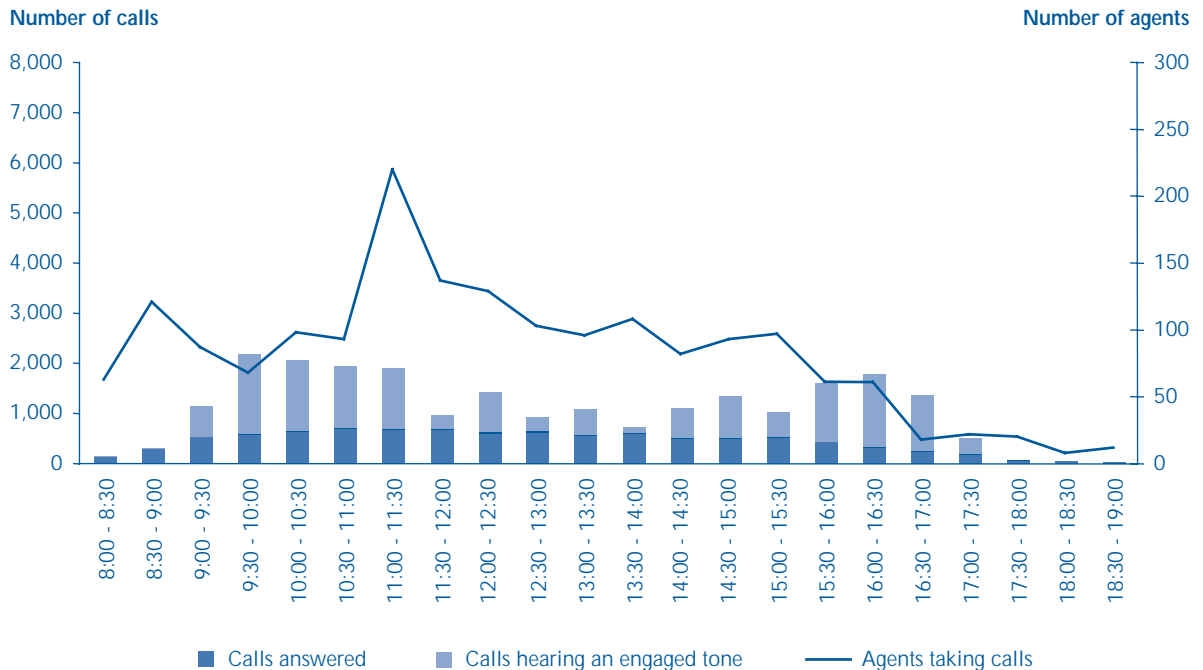
29 The Child Benefit Centre cannot handle all the calls received, particularly during peaks in morning and late afternoon

There is a high proportion of calls receiving an engaged tone regardless of whether the Call Centre receives a high number of calls or a low number of calls that day

Monday 3 September 2001 - large number of calls



Thursday 6 December 2001 - low number of calls



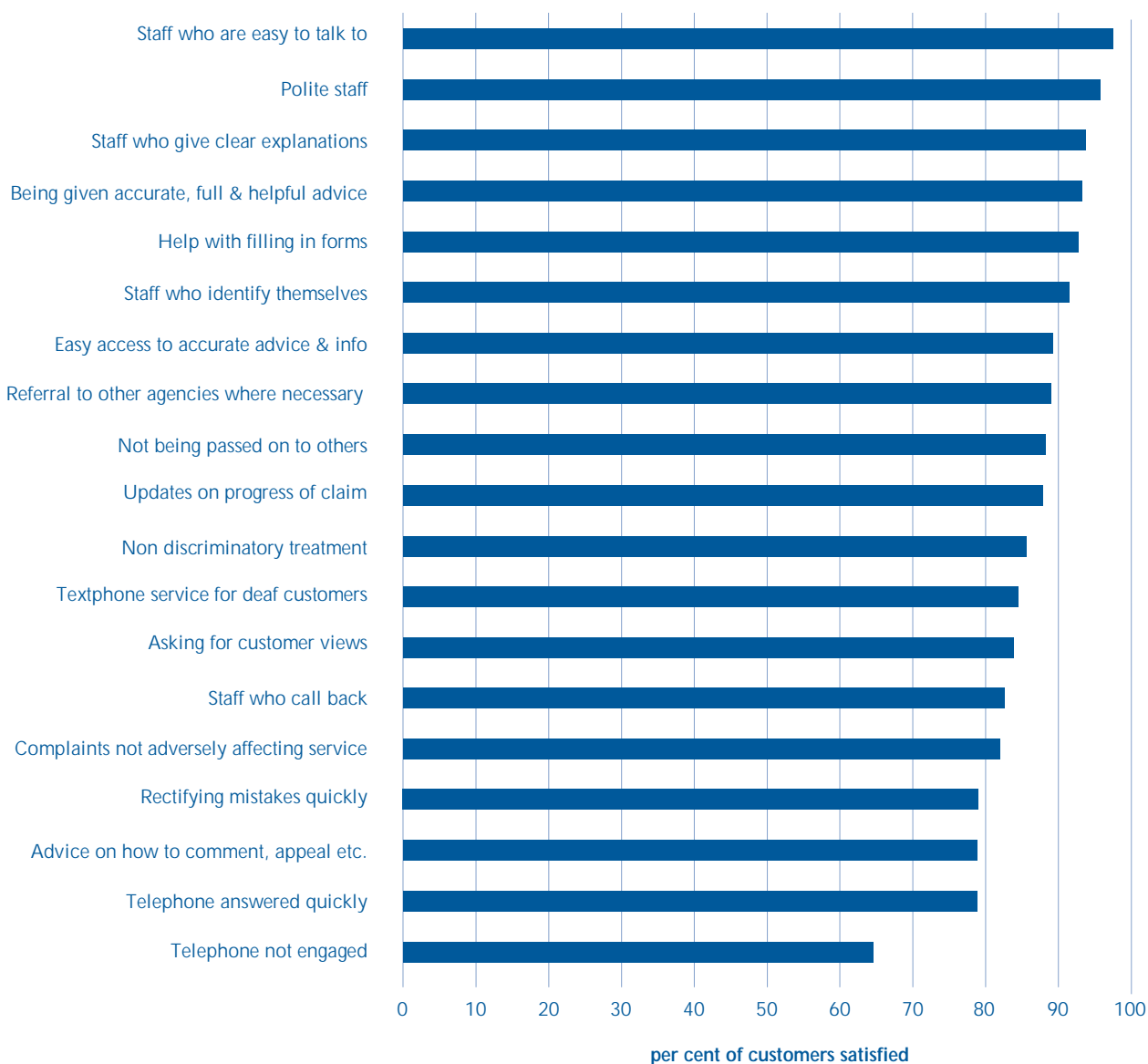
NOTES

- On 3 September 79,600 calls received engaged tones and the Centre agents answered 14,000. On 6 December 13,800 calls received engaged tones and the Centre agents answered 8,900. Some customers may redial many times. On 3 September 7,300 callers received engaged tones, and on 6 December 760 callers received engaged tones.
- Between 11:00 and 12:00 on 3 September a fault prevented callers hearing an engaged tone for around half an hour in total - all callers were routed to the queue.

Source: NAO

30 Results of survey of customer service 2001-02

Customers were very satisfied with the clarity and attitude of staff taking calls and least satisfied with the time taken to handle calls



Source: Department of Work and Pensions

3.12 How quality of service is assessed. The Centre assesses the content of the response to calls in two ways: through a survey of callers, and by team leaders listening to a sample of calls taken by agents. The most recent customer satisfaction survey¹⁷ for 2001-02 was part of a larger one carried out across the whole of the former Benefits Agency. It examined whether customers were satisfied against 19 factors, ranging from whether the agent was polite to whether the advice was accurate. Child Benefit centre staff telephoned 386 randomly selected members of the public who had contacted the Enquiry Line and asked them for their views (Figure 30). The survey indicated that:

- over 65 per cent of callers were satisfied with all aspects of the service assessed; over 75 per cent were satisfied with 18 out of the 19 aspects and over 90 per cent with 6 aspects.
- the highest areas of customer satisfaction were the politeness of the agents handling calls; and agents' knowledge and usefulness. Satisfaction generally decreased when an application for benefit was not successful.

¹⁷ The sample size of 386 was randomly selected and sufficiently representative to give a view of the service received by customers over 2001-02.

31 Aspects of the performance of the Child Benefit Centre Enquiry Line 2001-02

performance measure	target	Performance 2000-01	Performance 2001-02
% callers hearing an engaged tone ⁽¹⁾			8.4%
% calls answered ^{(1) (2)}	90 %	93.1%	92.2%
% calls answered within 5 seconds ⁽²⁾		100%	100%
Average time taken to answer the call ⁽²⁾		5 seconds	5 seconds
% calls abandoned by the caller when on hold ⁽³⁾		not available	6.1 %
% calls resolved at the first point of contact		88.5%	88.75%

NOTES

1. The Centre measures the number of callers hearing an engaged tone, rather than the number of calls receiving an engaged tone. They remove calls where customers redialled after hearing an engaged tone from their reported performance.
2. Successful callers to the Centre are initially answered by an automated system before being transferred onto an agent to deal with their query.
3. The Centre measures the proportion of calls answered by the automated system that are abandoned by the caller during the initial message or while listening to music.

3.13 In addition each team leader checks a minimum of 40 calls per agent per year by sitting with and listening to calls to assess their performance and provide feedback. The aspects covered are mainly how as a result of the call customers' records were amended; the advice provided and the agent's clarity and calmness in dealing with the caller.

3.14 On the **time taken to deal with calls**, the Child Benefit Centre reports against one target, the percentage of calls answered, and collects information on a further five measures of performance (Figure 31)¹⁸. The Child Benefit Centre answered over 92 per cent of calls it received in 2001-02, exceeding its target to answer 90 per cent of calls received. The Centre excludes redialed calls from customers when it measures the percentage of calls answered by agents¹⁹. The Centre regards this measure as a more accurate reflection of demand - the number of customers that were successful in contacting the Centre rather than recording the number of calls customers generated. The Centre accepts that the measure it uses is not consistent with the guidance produced by the central Contact Centre Advisory Team and will review the measure following its transfer to Inland Revenue. We consider that the way the Centre has specified both the measure and the target level to be achieved is only a partial measure of performance by treating callers who call again within the same month as making one call to the Centre rather than several, and by taking no account of the calls answered by the automated system where callers hang

up before speaking to an agent. We have recalculated the figures for May 2001 to March 2002 to include all redialled calls from each caller, and on this basis the percentage of calls answered²⁰ is 44 per cent.

3.15 **Operational efficiency.** The Department is working to improve the operational efficiency of the Enquiry Line. Agents are monitored against four targets (Figure 32). Measured for the Enquiry Line as a whole the levels of reported performance exceed the targets. The percentage of time agents spend dealing with calls (target 3) is high compared with other call centres suggesting a heavy workload leading to a high rate of productivity.

32 Targets used by Child Benefit Centre

	Target	Performance
% of total time connected to call handling equipment	80%	87%
% of time connected to call handling equipment spent dealing with calls	80%	91.6%
% of total time an agent is dealing with calls compared to total hours worked	64-70%	66.9%
Calls taken per hour	11-13	13

NOTE

The targets and measures are used to appraise agents' performance

¹⁸ In addition to the six measures set out in Figure 33, the Centre also collects information on a further 16 measures which cover how calls are dealt with when referred on by the first agent, operational efficiency, and human resource management.

¹⁹ Each month the Centre measures the number of calls answered by an agent as a percentage of the total of the number of callers who received an engaged tone plus the number of calls answered. The second, and any subsequent calls, with the same telephone number within that month that also receive an engaged tone, are removed from the calculation. The annual performance is calculated as an average of the monthly performance.

²⁰ We measured the number calls answered by an agent as a percentage of all calls received by the Centre from May 2001 to March 2002 as the Centre was unable to provide us with the number of calls receiving an engaged tone for April 2001.

3.16 From January 2002 the Department for Work and Pensions' central Contact Centre Advisory Team has required each call centre to provide a standard set of management information covering customer services, operational performance and staff management. The team is working with the Department's call centres to improve data collection and analysis with the intention of producing benchmarking data for the Department's Management Board.

3.17 Many call centres use IT systems to display standard prompts on screen to guide agents through the calls. These systems prompt the agent to ask all relevant questions and key in data. The Child Benefit Centre's IT system does not have this facility and the key elements of the system are over 20 years old. There is a standard system for producing address labels to send out application packs and a simplified system for changing addresses. For all other enquiries, however, agents may need to access three separate IT systems to carry out essential security checks on personal details, update data and then amend payment details. Consequently the agents rely on their own knowledge of the benefit rules and regulations to deal with queries. Because their training is lengthy and comprehensive staff are able to compensate, but the absence of a single system may increase the time taken to deal with calls. In addition, there are no expert systems to remind and guide the agent and no independent check of the accuracy and completeness of the advice given by the agents. Therefore management do not have independent assurance that the advice and information given by the agents is correct and complete. The Department recognises these weaknesses but considers it had to give priority to improving the IT systems of those services which are most at risk of fraud and error such as Income Support.

3.18 The Department is working on two areas of the Child Benefit system that may improve the quality of service to parents. The first project is to pay benefits only into bank accounts rather than using order books. The second

project will allow parents to contact the Child Benefit Centre electronically, both to make claims and to report changes affecting their benefit. Both of these projects may reduce the numbers of calls to the centre. To ensure the claim is genuine, parents will, however, still need to supply the birth certificates to support the claim and therefore the process will not be entirely electronic. Both projects will continue when the Child Benefit Centre transfers to the Inland Revenue in April 2003.

3.19 **Training so that staff have skills to deliver a service of appropriate quality.** New staff are trained to carry out the full range of queries that they may have to take, to handle the IT systems and to deal with customers. The training takes a total of 12 weeks full time before the agents are able to answer calls and includes a two day external course covering the different stages in a call, listening and communication skills and handling difficult callers. The majority of the training time is spent on the technicalities of Child Benefit reflecting the variety of calls handled and that all agents are trained to take the full range of calls. After the training, the new agents are supported by an experienced co-worker for the next six months. The Centre disseminate information on changes to the benefit regularly using an intranet, team briefings and liaison between teams. In July 2002-03, the Department's central Contact Centre Advisory Team introduced a comprehensive set of external training courses which all their call centre managers, team leaders and agents can attend.

3.20 **Working conditions.** The Enquiry Line has high levels of staff retention - in 2001-02 less than one per cent left to work elsewhere and less than three per cent transferred to other work in the Benefit Centre. Agents receive the same pay as other Child Benefit Centre staff at their grade and the working environment is pleasant, appropriately furnished to minimise any health and safety risks and staff have rest areas.

Conclusions

Those members of the public who speak to Enquiry Line staff are generally satisfied with the service which they receive. Many calls, however, receive an engaged tone - nearly double those calls that get through first time and as a result callers may have to redial a number of times until their call is answered. The Child Benefit Centre needs to ensure that it can handle the volume of calls which the Enquiry Line receives. The Centre should also pilot ways of encouraging people to call outside peak times such as having a message to advise callers of the length of time they may wait to be answered and suggesting they may like to call again for example, at 17:00 when the lines are less busy. The Department for Work and Pensions' central Contact Centre Advisory Team plans to introduce software to help estimate future workloads and develop more comprehensive performance measures which should be used to target action to ensure that a much higher proportion of people have their calls answered first time.

Part 4

Driving Standards Agency Information and Booking Service

Customers:	The public, driving schools, driving instructors and training bodies wanting to book practical driving tests or someone wishing to become an approved instructor.
Types of call:	To book, amend or cancel practical driving test appointments, queries on the cost of a driving test and what types of vehicles a licence entitles the holder to drive, and information on how to become a driving instructor or examiner ²¹ .
Number of calls answered:	65,000 calls per week; 3.4 million in 2001-02
Staff taking calls:	Around 160
Cost of call centre:	£4.8 million in 2001-02
Operational benefits:	The centre enables telephone calls to be handled separately from the paper work associated with bookings and so improves operational efficiency. The public should benefit from a faster and more reliable service.



4.1 The Driving Standards Agency's primary objective is to promote road safety in Great Britain by improving driving standards. It is responsible for conducting theory and practical driving tests for cars, motorcycles, buses, lorries and other vehicles and one of its aims is to run an efficient and user-friendly service for customers who want to book a driving test. The Agency has outsourced the booking service for the theory test to a private company, Prometric, and operates the booking service for the practical driving test in-house. The Agency operates a single national telephone number for calls relating to both the practical driving test and the theory test. Some 97 per cent of the 1.2 million practical driving tests that are taken each year are booked over the telephone using credit cards with the remainder being booked by post. In 2000-01 the Agency generated £80 million in income, the vast majority of it through providing driving tests to the public.

The practical driving test for cars costs £38 for a weekday appointment or £47 for a weekday evening or Saturday appointment

4.2 **Why the service is delivered through a call centre.** Prior to 1992 the public could only book and pay for driving tests through the post - although it was possible to telephone for earlier or later appointments or to cancel tests. To improve the service the Agency made it possible to book tests by telephone through its ten regional offices (subsequently reduced to five). But in response to increasing volumes of call and credit card payments an external review commissioned by the Agency recommended that to improve the quality of service the processing of test bookings should be separated from call handling.

²¹ The call centres also handles calls from driving schools and approved driving instructors and also deals with non-statutory services, such as booking taxi driver tests.

- 4.3 In 1997 as part of a wider business case (**Figure 33**) to develop its information systems the Agency decided to establish a centralised system for booking driving tests. The business case estimated that the information system as a whole would provide financial benefits of almost £34 million over ten years mainly through reductions in staff and IT costs and banking, postage and telephone charges while also helping to generate additional income. In addition, the business case estimated that annual savings to customers would be around £3 million (mainly through delivering a faster service). The project costs were estimated at around £27 million with savings to the agency of some £3 million over ten years.

33 Benefits identified in Agency's business case on the basis of which the call centre was set up

- Greater efficiency in handling test bookings.
- Linking the different sites into one virtual call centre would reduce the number of unsuccessful calls by allowing calls from one site to be overflowed to another.
- Automated response would deal with simple enquiries.
- Customers wanting driving tests at short notice could be put on a priority waiting list.

Source: NAO examination of business case.

- 4.4 On the basis of these benefits particularly in providing a better service to the public the Agency established the call centre which was fully operational from 1998. As it was set up as part of a larger information systems project it is difficult for the Agency to assess the performance of the call centre against the original business case. It has therefore not evaluated whether the forecast financial benefits are being realised.

- 4.5 **How the call centre works.** The centre operates from two sites in Newcastle and Cardiff and can be contacted using a single telephone number (tel: 0870 0101372 charged at national rates) so that customers are unaware of where their call is being handled. The Newcastle site typically handles 65 per cent of calls and Cardiff 35 per cent and the Agency can alter this ratio by transferring calls from one site to the other which means for the customer there is one virtual call centre. The call centre is open between 08.00 to 18:00 Monday to Friday and 08.00 and 16:00 on Saturday. The service is provided in Welsh as well as English and customers who are hard of hearing can gain access through a text type service. **Figure 34** sets out what someone telephoning the call centre will typically hear. Regular customers, such as driving instructors, can use a sequence of quick keys to pass through the automated response system.

- 4.6 **How the public are informed of the service.** The Agency uses leaflets at driving test centres, the telephone directory and its website to advertise the service. The telephone number is also shown on the driving test application form.

- 4.7 **Costs.** In 2001-02 the call centre cost £4.8 million to operate with staffing accounting for over half of this. Telephone costs were £190,000 but because the centre uses a national number for the booking services it received a rebate from its telecommunications suppliers of £260,000. The average cost per call is around £1.42 and the average cost per call minute is £0.52 - well below the call centre industry average of £1.

- 4.8 In order to provide a detailed breakdown of its call centre costs the Agency had to carry out a separate exercise as the information was not readily available. It is important that all costs are routinely monitored to be sure that they remain reasonable and to keep under review the potential for value for money improvements. (**Figure 35**)

35 Breakdown of costs

Cost type	Costs (£000)	2001-02 %
Staff	2,701	56
IT and telecoms technology	1,468	30.4
Accommodation	709	14.6
Telephone calls	(70)	(1)
Agency and administration fees	14	-
Training	2	-
Total	4,824	100

34 Telephoning the Driving Standards Agency Information and Booking Services

Welcome and thank you for calling the Driving Standards Agency Information and Booking Service. Please be advised that to enable us to continually improve our customer service some calls may be monitored or recorded for training purposes. Please press the star button on your telephone key pad twice now



To enable us to deal with your call please listen carefully to the following options:

- For all calls relating to cars excluding taxis please press 1
- For all calls relating to motorcycles please press 2
- For all calls relating to lorries and buses please press 3
- If you are a driving instructor or training body please press 4
- For all other enquiries including taxi tests, business I.D.s or licences please press 5
- To listen to the options again please press 9



The caller presses 1 on their phone

Practical and theory tests for cars may be booked over the phone using most major credit or debit cards. Please ensure you have your card to hand together with your driving licence. We would like to advise we do not accept American Express Cards, Diners International Cards, or the Visa Electron Card. When making your booking you must be either the card holder or the card holder must be present.

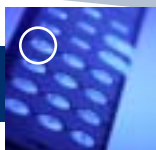
- For calls relating to practical or theory car test, excluding fees, please press 1



The caller presses 1 on their phone

Please note that to book a practical car test you will need to have passed your theory test and have your pass certificate to hand.

- For calls relating to practical car test press 1



The caller presses 1 on their phone

Please hold while we connect you to an operator

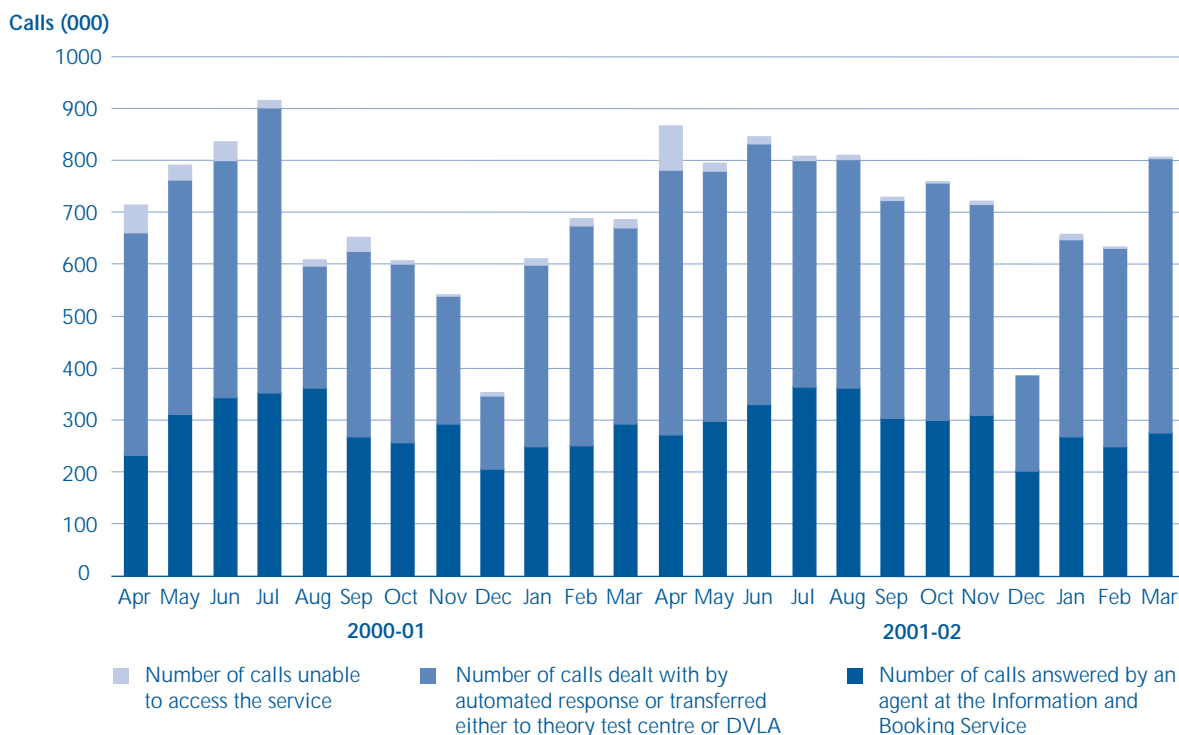


Naomi speaking. How can I help you?



36 Calls to the Information and Booking Service peak in the summer

Calls peak in the summer months when more candidates want to take their driving tests and fall to a low in the winter



NOTES

1. Callers who are unable to access the service receive the engaged tone on calling.
2. All callers who can access the service are handled by the automated response system. A number of callers will then have their enquiry resolved by the automated response systems or will self-disconnect because the system informs them that for example, they do not have the necessary information at hand to proceed. Those callers who require either the theory test call centre or the Driver and Vehicle Licensing Agency will be transferred to the appropriate number.
3. Those callers who need to have their call handled by the Information and Booking Service for the practical driving test will have their calls transferred by the automated response system to an agent at the call centre.

Source: NAO

4.9 **How the volume of calls is managed.** Calls usually reach a peak in the summer when more people want to take their driving tests (Figure 36). The call centre also encounters peaks during the course of a day. The number of calls received overall each day during the week is, however, fairly consistent and this makes it easier to forecast the number of agents needed to take calls. The Agency has ensured that there are sufficient staff to answer calls by using overtime working, temporary staff and flexible shift patterns which has resulted in only a small proportion of calls not getting through to an agent (Figure 37). Around 40 per cent of staff work shifts and whenever possible the Agency matches the shift with the preferences of the agents. The Agency considers that flexitime working by staff has a negative effect on service quality because it makes it difficult to ensure that sufficient numbers of staff are working at any one time to handle calls. Consequently flexitime working has not been offered to staff since 1998 and now only 3 per cent of staff work flexitime.

4.10 **How quality of service is assessed.** To assess the **quality of the response given to calls** the Agency monitors the percentage of calls that are resolved by the first agent to whom the caller speaks and the percentage of calls that cannot be resolved. For both indicators the call centre met its target for 2000-01 (Figure 38). Its performance in resolving 99 per cent of calls first time compared favourably with the industry average of 84 per cent.

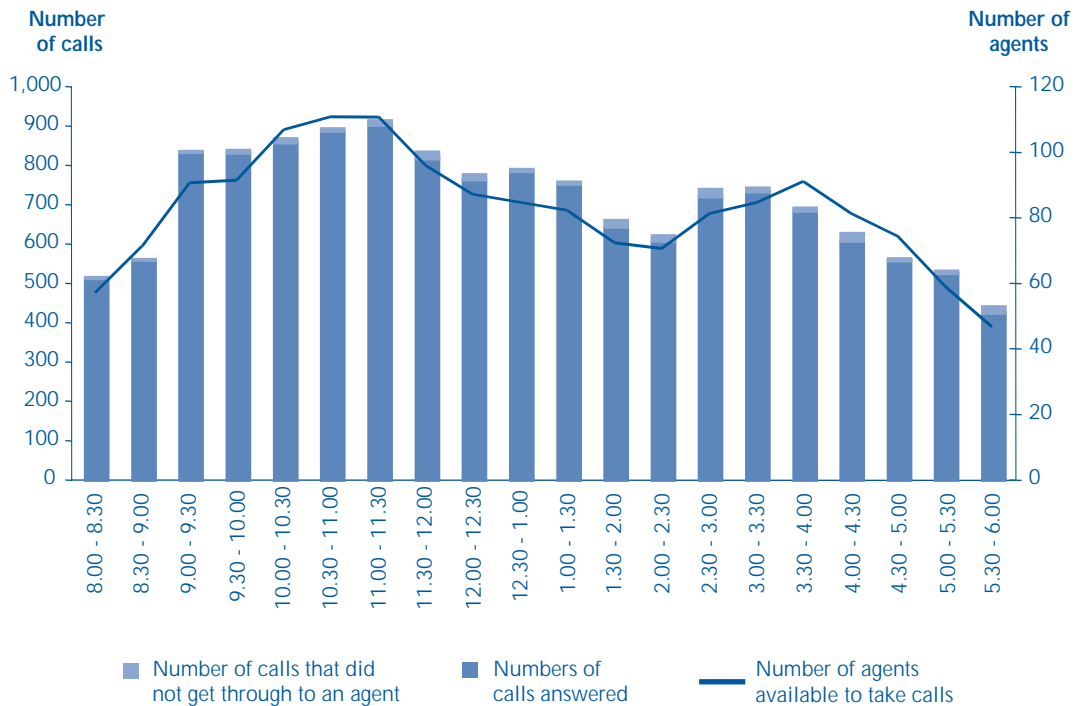
4.11 To assess the **time taken to deal with calls** the Agency has set targets for example, 90 per cent of calls should be answered in 20 seconds and their achievement is monitored (Figure 39).

4.12 The Agency also commissioned an independent external mystery shopping exercise in 2000-01 that showed that most agents were greeting callers appropriately and were polite and helpful during the call and that in 98 per cent of cases the agent was able to provide the caller with an appropriate answer to their query. When

37 The call centre has matched the agents available to meet peaks in calls

By matching the number of staff available to take calls with daily call patterns the Agency is able to minimise the number calls from customers that do not get through

Monday 13 May 2002



NOTE

The calls that do not get through to an agent receive either the engaged tone or a message asking the call to call back later.

Source: NAO

the Agency benchmarked the performance of the call centre against the outsourced theory test call centre and a global benchmarking survey²² it found that that the centre answered and handled calls more quickly and had fewer abandoned and engaged calls (**Figure 40**).

4.13 Operational efficiency. Information technology has been used extensively to improve the operational efficiency of the call centre for example, IT systems:

- allow calls to be diverted between the Newcastle and Cardiff sites if one of them becomes overloaded with calls thus minimising the risk of calls going unanswered;
- provide quick links to finance companies to validate credit card payments;
- provide automated responses to tell callers what information and documentation they need to complete a successful booking; and when to call back if the service is closed.

38 Performance against content and outcome targets

Measure	Target	Performance 2000-01	Performance 2001-02
% of calls resolved by first agent	99%	99%	99%
% of calls that cannot be resolved	1%	1%	<1%

Source: NAO examination of Driving Standards Agency

39 Performance for the time taken to deal with calls

Measure	Target	Performance 2000-01	Performance 2001-02
% of calls answered within 20 seconds by agent	90%	84%	90%
Average length of completed calls (seconds)	170	161	165

Source: NAO examination of Driving Standards Agency

40 Performance against content and outcome targets

Performance Measure	Information and Booking Service	DSA- Theory Test	Merchants Global Contact Centre Benchmarking Report 2001
Average speed of answer by agent (after automated response)	9 seconds	11 seconds	26 seconds
Average duration of inbound calls	159 seconds	181 seconds	209 seconds
Percentage of calls abandoned	0.7 per cent	2.9 per cent	4.5 per cent
Percentage of engaged calls	0.9 per cent	3.4 per cent	14 per cent

Source: NAO examination of Driving Standards Agency and Merchants Global Contact Centre Benchmarking Report 2001

4.14 The Agency is planning to make it possible for customers to book tests on the internet later in 2002 although it does not envisage that this will lead to a significant reduction in the number of calls to the call centre as customers may phone to check that their booking was successfully received. The theory test booking service has been available over the internet since January 2002.

4.15 **Training so that staff have the skills to deliver a service of appropriate quality.** The Agency has developed a Skills and Knowledge Framework that identifies the sorts of skills, for example communication and the use of information technology, that staff will need if they are to provide callers with a high quality of service. The Agency carries out six days induction training in a classroom environment that is followed by one-to-one training until the agent and their managers feel it is appropriate for them to handle calls independently. On-going training includes side by side monitoring of the agent's performance, where an experienced member of staff sits next to an agent and assesses how effectively they deal with calls, and remote monitoring of calls. Both forms of monitoring allow the Agency to provide agents with feedback on how they could improve their performance.

4.16 When the Agency began to provide services through five regional call centres it provided training in customer service skills as part of a two week induction course. With the move to two call centres and the introduction of the new booking system the Agency placed more emphasis on developing basic training skills at the expense of specific skills. The Information and Booking Service now takes some 11,000 calls from the public each day and needs to develop and maintain sufficient customer service skills including the ability of the agent to listen and respond to callers, to be more effective in giving advice and information over the phone and the ability to deal with difficult calls. The Agency is extending its induction course to include customer service skills training and managers have undertaken specific training that will be extended to agents.

4.17 **Working conditions.** The Agency has ensured that the call centre physical working environment complies with health and safety requirements, for example staff have adjustable workstations and are able to take regular breaks within an agreed limit. All call centre staff receive pay equivalent to other civil servants of the same grade or involved in similar work. Staff turnover is 12 per cent which compares favourably with the call centre industry average of around 20 per cent. The call centre has recently increased the proportion of permanent staff from 54 per cent to 83 per cent and expects to see a further reduction in its staff turnover rate.

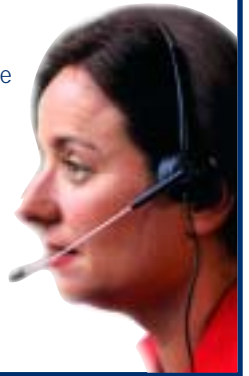
Conclusions

The Driving Standards Agency Information Booking Service has met its targets for service quality and has performed well when benchmarked against other call centres. Its cost per call minute is also well below the industry average. Making it possible to book driving tests by telephone has helped the Agency improve its operational efficiency while generally providing the public with a faster service. The Agency could, however, improve its ability to manage its call centre services by having more cost information routinely available. This would make it much easier to assess whether the various cost components of the call centre provide value for money.

Part 5

The Environment Agency's Floodline Service

Customers:	The public who want to know about the risk of flooding.
Types of call:	To find out whether there are current flood warnings, whether a property is at risk of flooding, for information about coping before, during and after a flood, and to report flooding. Approximately 85 per cent of calls are to the automated recorded message system advising of current flood warnings.
Number of calls answered:	850,000 in 2000-01 and 236,000 in 2001-02.
Number of staff:	Around 600 staff work at the outsourced call centres but very few take Floodline calls unless there is flooding.
Cost of call centre:	£0.5 million in 2001-02.
Operational benefits:	Floodline meets fluctuating public demand for information on the risk of flooding enabling staff to focus on other work. Floodline is operated on behalf of the Environment Agency by a private company, the MM Group.



5.1 The Environment Agency is responsible for flood defence against coastal floods and inland floods from estuaries and main rivers in England and Wales and for delivering a national flood warning system.²³ Local authorities are responsible for flood defence for flooding from drains, sewers, ditches or streams. Approximately 10 per cent of the population of England and Wales live in areas that are liable to flooding - around five million people in two million properties. In the autumn of 2000 just under 10,000 homes and businesses were flooded causing damage in excess of £1 billion. The Agency has a network of 26 area offices in England and Wales, which manage local flood defence and warning services.

5.2 The Agency issues four levels of flood warning:



Flooding possible. Be aware! Be prepared! Watch out!



Flooding expected affecting homes, businesses and main roads. Act now!



Severe flooding expected. Imminent danger to life and property. Act now!



An all clear is issued when flood warnings are no longer in force.

²³ The Scottish Environment Protection Agency has a duty to advise on potential flooding in Scotland and Floodline provides information on flood risk on their behalf for Scotland.

5.3 **Why the service is delivered through a call centre.** As the result of a business case developed in 1996 the Agency decided to support flood warnings issued through the media by a recorded message system called Floodcall. In October 1998 a review²⁴ of the Agency's response to floods at Easter of that year recommended that better information should be made available to the public to reduce damage from flooding and that more needed to be done to improve public awareness of the Agency's responsibility for providing advice on flood prevention. As a result Floodline was set up so that (i) it could provide better information in response to public concerns about flooding; and (ii) calls being dealt with by the Agency's incident rooms during a flood could be handled from a single point of contact thus releasing operational staff to respond to the flooding.

5.4 The new call centre had to be in place quickly to enable the Agency to respond to any new flood alert in the winter of 1999 and the Agency decided to outsource Floodline to a private sector company to operate. The main justification for outsourcing the service was that a private sector supplier was more likely to be able to ensure that additional staff could be provided cost effectively at short notice to deal with sudden increases in calls in response to a flood alert. The Agency originally contracted with British Telecom to provide the information line as a pilot. Once the pilot call centre was established, the Agency competitively tendered the service. MM Group won the contract from a final shortlist of four suppliers and from September 2001 has provided Floodline from three sites at Bangor in Northern Ireland, Bristol and Ashby.

41 Telephoning Floodline

Welcome to Floodline

This service provides current flood warning information and general advice to the public in England, Wales and Scotland

- To hear pre-recorded information on flood warnings currently in force press 1
- For road and travel information press 2
- To report flooding, order an information pack or make a general enquiry press 3 or hold
- To connect to the Welsh language Floodline service press 4

Hello Floodline. How can I help you?

I'm moving house and want to find out if the house I'm thinking of buying might be flooded in the winter?

5.5 **How the call centre works.** Figure 41 sets out what someone telephoning Floodline (tel: 0845 988 1188) typically hears. Floodline takes calls 24 hours a day all year which are charged at a local rate. While there is an option to connect to the Welsh language Floodline service no other language is provided for and no requests for other languages have been received in the last two years. Those who are hard of hearing can connect to a texttype service (Floodline answered five texttype calls in 2001-02 and 547 in 2000-01). Some callers want information on the impact of flooding on road and travel which is not the responsibility of the Agency. Such callers hear a recorded message giving the telephone number of the Automobile Association. Other queries that are outside the scope of the call centre are transferred to the Agency's area offices.

5.6 **How the public are informed of the service.** An annual advertising campaign takes place in the early autumn to alert people to the risk of flooding and leaflets are sent to households at particular risk. How to contact Floodline is also advertised on the Agency's website. Whenever the Agency issues a flood warning this is broadcast as part of the national weather forecast together with how to contact Floodline.

5.7 **Cost.** The contract with MM Group to operate Floodline is cheaper than with the previous contractor (by some 47 per cent) and includes the cost of developing the service originally provided by British Telecom. Part of the reduction in costs is however due to a smaller number of calls. While contract management costs increased with the MM Group these also cover enhancing Floodline to provide a better service to the public (Figure 42).



42 Costs of Floodline

	Costs ¹ September 2000 to August 2001		Costs ² September 2001 to August 2002	
	£000	%	£000	%
Payments to contractor for call centre	709	86	240	56
Payments to contractor for developing systems	12	1	60	14
Service testing	21	3	38	9
Service Management Costs ³	80	10	88	21
Total	822	100	426	100
Number of calls handled	850,000		236,000	

NOTE

1. Floodline operated by British Telecom.
2. Floodline operated by the MM Group.
3. The cost to the Environment Agency of managing the contract and the contractor; enhancing the present Floodline service, managing a pilot study to provide a "One-Stop-Shop" Floodline service and managing the Agency's own internal resources in providing information to Floodline.

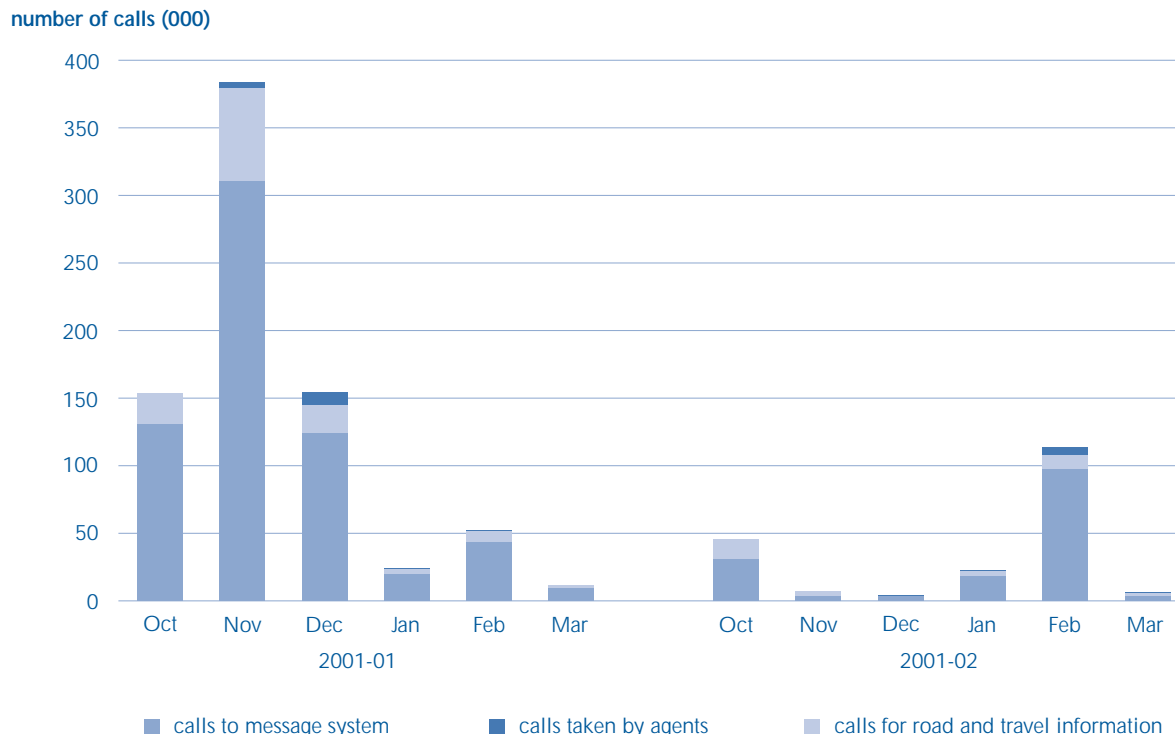
5.8 The majority of calls to Floodline are to a recorded message system which is relatively cheap to operate. The target that agents answer 90 per cent of all other calls within 15 seconds is demanding and above the average for most call centres (our survey (Part 2) found that most call centres aimed to answer calls within 20 seconds). The cost per call minute was around £0.67 in 2001-02. This is partly influenced by the number of calls received over which costs can be spread. Had 2001-02 experienced similar levels of flooding and associated calls as the previous year the cost per call minute would have been £0.25.

5.9 **How the volume of calls is managed.** The number of calls to Floodline depends on the impact of the Agency's public awareness campaigns each autumn and the extent of any flooding. **Figure 43** shows the impact which the weather has on calls - in 2000-01 there were three times more calls than in 2001-02.

5.10 When setting up the call centre, the Agency considered that it was not cost effective to use agents to answer all calls to Floodline. The majority of calls are for up to date information on the flood risk in a particular area. When there is heavy rainfall and the media broadcast flood warnings the volume of calls can increase dramatically and therefore the demand for agents increases at short notice. This combined with the seasonal nature of calls means that it is unlikely to be cost effective to employ dedicated staff full time answering calls. All calls are answered by an automated system and people wanting further information are routed to a recorded message system which has sufficient telephone lines to handle more than the largest number of calls ever received by the service to date. The system holds recorded messages for 740 separate sections of rivers or coasts, each of which can be accessed by up to 720 callers simultaneously. The message for any area can be accessed by the same sequence of keys each time and people who access the messages regularly quickly learn and use the quick key sequence.

43 The number of calls to Floodline fluctuates with changes in the weather

The number and timing of calls to Floodline varies each month depending upon the weather and the majority of calls are handled by the message system

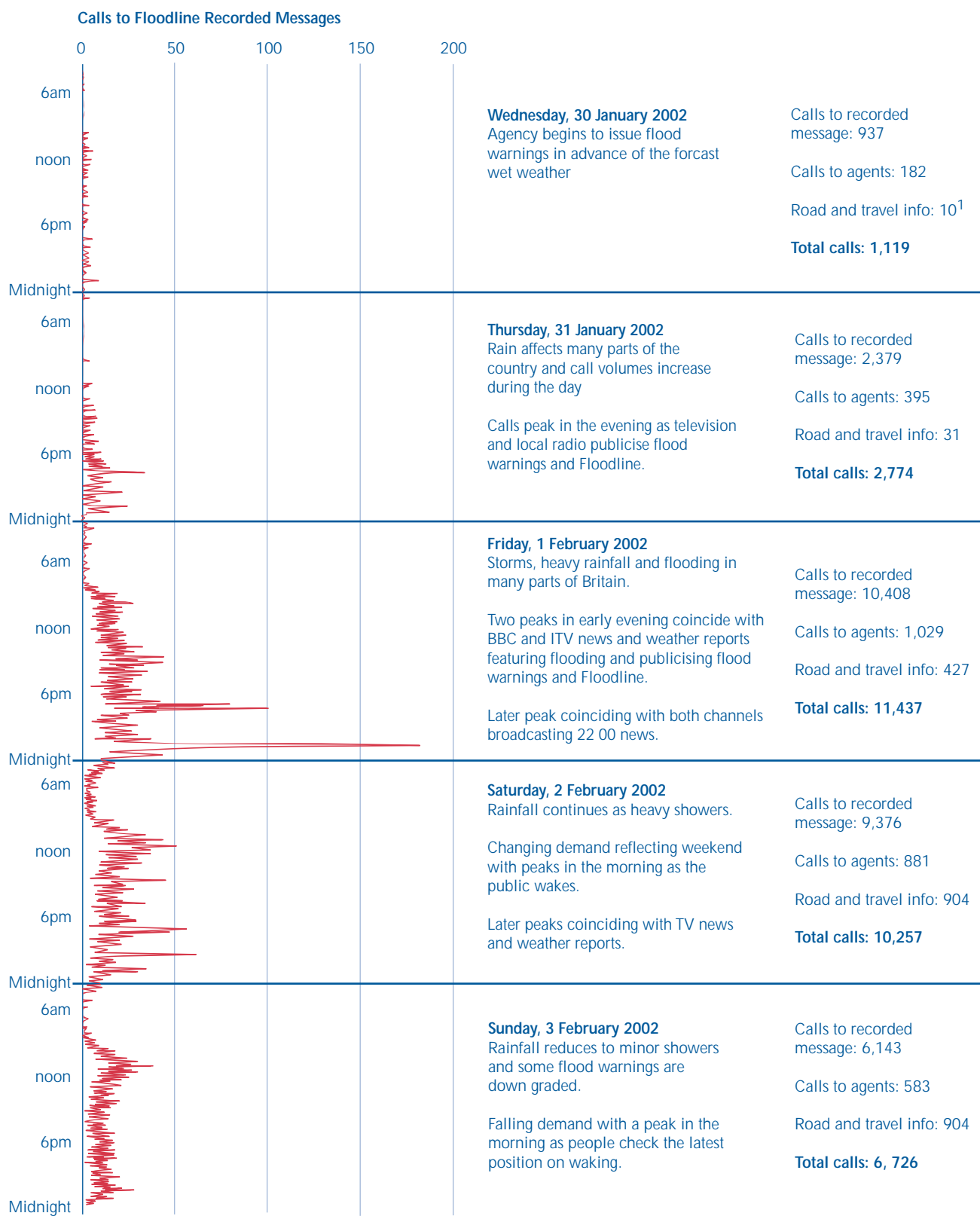


NOTE

1. The volume of calls in the rest of the year is too low to be shown on the graph



44 Calls to Floodline increase when there are flood warnings in place and the timing of calls is heavily influenced by media reports of flood warnings



NOTE

1. Callers telephoning to obtain road and travel information are automatically given a recorded message containing the telephone number for the AA.

Source: Environment Agency

5.11 **Figure 44** shows changes in the pattern of calls during five days in late January and early February when the Agency issued many flood warnings. It demonstrates how the numbers of calls is influenced by the weather and media coverage. Also as calls to the recorded message system increased so did those seeking more detailed information from Agency staff. MM Group uses weather reports to estimate the likely number of calls and to ensure that there are enough staff to answer them. During a routine day with no flood warnings MM Group will have one or two staff taking calls for Floodline and at the same time taking calls for other organisations. During a flood alert more agents within the call centre will be redeployed to answer calls to Floodline.

5.12 **How quality of service is assessed.** The Agency monitors quality of service in different ways. In 2001-02 the Agency concentrated on testing the new system which MM Group had introduced to ensure that all the different routes which a caller could be directed to operated as they should. In December 2000 the Agency surveyed 250 people at random who had called the recorded message service during the most recent flood. This indicated that 96 per cent of those surveyed found the flood warning details clear and delivered at the right pace (speed of delivery and clarity are important with automated message systems as the caller cannot ask for the message to be spoken slowly). Some 86 per cent said they had no problems using the service. The main messages from the survey were that people wanted more localised information, quicker updates, to wait less time for calls to be answered, and frequent flood warning updates placed on the Agency's website. The Agency has acted on these suggestions and plans a similar survey following any significant flooding in 2002.

5.13 On the **time taken to deal with calls**, the Agency's targets are similar to those for an emergency service - to ensure that customers can get the information they need quickly in the event of a flood so as to save lives and prevent damage to property (**Figure 45**). The targets for the recorded message system have been met for the last two years and agents' performance in handling calls is improving. The Agency expects further improvements as MM Group become more familiar with the service.

45 Performance against targets

	Target 2000-01	Performance 2001-02	Performance
Message system			
Calls handled with no waiting time	99%	100%	100%
Agents			
Calls handled within 15 seconds	90%	83%	86%
Calls handled within 120 seconds	99%	Not measured	95%
Calls abandoned	<5%	6.6%	2.4%

Source: Environment Agency

5.14 **Operational efficiency.** The Agency's contract with the MM Group includes targets and incentives that are intended to promote high levels of service quality. If MM Group does not meet the target service level then their payment will be reduced by the same percentage as the shortfall in performance. For example, handling only 88 per cent of calls within 15 seconds against a target of 90 per cent would result in a two per cent reduction in payment to the MM Group. Payment is also linked to volume of calls to Floodline so that charges to the MM Group are currently between £15,000 - £20,000 each month when there are low volumes of calls and up to £100,000 in a month with major flooding.

5.15 **Training so that staff have the skills to deliver a service of appropriate quality.** In recruiting staff the MM Group tests the keyboard and numeracy skills of all candidates. All staff receive training in how to meet callers' expectations by listening effectively; how to convey information in an appropriate manner; and how to identify callers' priorities. Staff are also trained to develop the ability to deal with difficult callers and callers who may be distressed through rôle play and scenario planning and are coached to use the appropriate language. Staff who will be working on Floodline also receive training about the Environment Agency and visit a local Agency office to see the Agency's flood warning operations.

5.16 **Working conditions.** MM Group has ensured that the call centre environment complies with health and safety requirements for example, all equipment is ergonomic and fully adjustable, there are rest rooms and staff are allocated time to take as breaks on their shifts. MM Group operates a performance pay system. Each agent receives

a base level of pay based on their experience and competency and they can earn further pay increases for delivering sustained better levels of performance. The Agency is negotiating with MM Group to introduce an individual incentive scheme where the agent will receive a bonus for performing above the target performance.

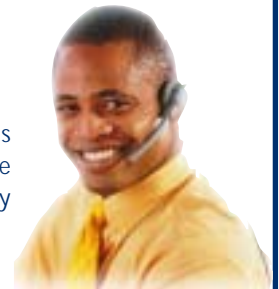
Conclusions

Using a recorded message system to handle large volumes of calls has proved to be cost effective and the Agency has managed the risk that the public may be reluctant to receive information from an automated system by Agency staff being available to answer more detailed queries. Using a private firm to deliver the service has contributed to lower costs and the service level to answer all calls in 15 seconds is higher than that routinely achieved by most call centres. The low rainfall in 2001-02 reduced the risks faced by the Environment Agency when transferring from one supplier to another. The service now provided by MM Group included substantially increased capacity and more challenging service level targets than were in place during the major flooding of Autumn 2000, however until flood events of a greater magnitude than Autumn 2000 occur, the effectiveness of these measures has yet to be tested in practice.

Part 6

The UK Passport Service Adviceline

Customers:	The public call on behalf of themselves or their children
Types of call:	Requests for assistance in completing a passport application form, information on the costs of passports and to make appointments at Passport Offices to obtain their passports ²⁵ .
Number of calls answered:	2.85 million in 2001-02 with an average of 50,000 per week.
Number of staff:	Around 600 staff work at the outsourced call centres but they are not dedicated solely to answering UK Passport Service calls.
Cost of call centre:	£3.48 million in 2001-02
Operational benefits:	By dealing with routine calls the Adviceline releases staff to concentrate on more complex cases. The Adviceline is operated on behalf of the Passport Service by the MM Group.



6.1 The United Kingdom Passport Service (the Service) is responsible for issuing passports to British nationals living in the United Kingdom. In 2000-01 the Service processed over 5.5 million passport applications, including 1.3 million new adult passports, 2.3 million adult passport renewals, 1.4 million child passports and 0.5 million amendments or extensions to existing passports. **Figure 46** shows the different methods of passport application that are offered by the Service and the fees that customers are charged. In 2000-02 the Service generated £134 million of income.

6.2 **Why the service is delivered through a call centre.** The Service commissioned an independent review of its telephone enquiry service following the problems in processing passport applications in summer 1999²⁶. By June 1999 there were some 585,000 passport applications awaiting processing. Regional office staff were unable to cope with the exceptionally high volume of calls from customers who were querying the progress of their passport applications and the vast majority of telephone enquiries were answered by recorded messages. COI Communications assisted the service to put in place a short term outsourced call centre to handle these queries while awaiting the results of the review.

²⁵ Adviceline also receives calls from the public requesting information on their eligibility for a British passport. These calls often involve complex nationality issues and are transferred in mid call to one of the Service's regional offices where more experienced Service staff are able to deal with the call.

²⁶ The UK Passport Agency: the Passport Delays of Summer 1999 (HC 812, 1998-99).

46 There are a number of ways in which the public can apply for a passport

The public will incur different charges for a passport depending on how quickly they wish to receive it

Ways of applying for a passport	Via main Post Offices, Worldchoice travel agents or post	At Passport Office counters Guaranteed 1 week service fee	At Passport Office counters Guaranteed same day service fee
First passport for adult (including replacing lost stolen or damaged passport)	£33	£63	Not available
First passport for child (including replacing lost stolen or damaged passport)	£19	£49	Not available
Renewal of existing adult passport	£33	£63	£78
Renewal of existing child passport	£19	£49	£64
Changes to valid passport	£22.50	£52.50	£67.50
Extension of child's passport	Free	£30	Not available

6.3 The independent review recommended outsourcing straightforward telephone enquiries to a third party allowing complicated enquiries to be dealt with by more experienced Service staff. The MM Group was given a short-term contract in November 1999 through COI Communications' framework agreements to answer calls to Adviceline and following competitive tendering was awarded a further five-year contract direct by the Passport Service in November 2001. The Passport Service considered operating Adviceline in-house but concluded that this would be impractical without a significant increase in staff. The associated training costs and the probability that the staff needed to meet seasonal peaks in calls would be under-utilised at other times made an in-house service not viable. Adviceline operates from three call centres located in Bangor in Northern Ireland, Ashby and Bristol and is open 24 hours a day, seven days a week, all year.

6.4 **How Adviceline works.** Someone calling Adviceline using a touch tone telephone is initially given seven options by the automated response system (Figure 47). After selecting an option information is provided to answer the query - sometimes with a further automated response option or the caller is connected to an agent. Adviceline was changed in 2001 so that, whatever option is selected, callers can always, if they wish to, be connected to an agent after the recorded message. Much of the research into the use of automated responses indicates that callers prefer to choose from the minimum number of options - usually between three and four. The Service and MM Group are therefore considering reducing the number of automated response options and recorded messages to improve

service quality. Adviceline is provided in Welsh as well as English but no other language. Those who have hearing difficulties can use texttype. All calls are charged at a national rate.

6.5 **How the public are informed of the service.** The Passport Service publicises Adviceline on television and radio, in leaflets in Post Offices, the telephone directory and on its website. Marketing is used to reduce peaks in calls to Adviceline which occur each morning between 09:00 and 10:00. As yet, however, this has not resulted in substantially fewer people calling at this time.

6.6 **Costs.** The Service paid £3.8 million to MM Group and other suppliers, for example to provide the network automated response system, to deliver Adviceline in 2001-02. This includes the costs of the call centre, providing services such as handling e-mails, training agents and sending out passport application forms that were not included in the original business plan when the call centre was set up and the cost of the mystery shopping to assess the quality of the service provided. The Service has assessed performance against the original business case and found that of the £3.8 million, £2.96 million was spent on handling calls compared to a forecast spend in the business case of £4.43 million. The average cost per call in 2001-02 was £0.92 compared to the business case forecast of £1.12 and the average cost per call minute for all calls to Adviceline (including those calls answered by the automated response system) was £0.37.

47 Telephoning the UK Passport Service Adviceline

Callers to Adviceline are initially offered seven options by the automated response and further options depending on the route they take.

Thank you for calling the United Kingdom Passport Service. Please note that most general information is available on our website at www.passport.gov.uk. You should also note that this telephone call may be recorded. To continue please press zero

- For information on how to order an application form or on where to obtain an application form press 1
- For information on passport fees press 2
- If you have not submitted an application and intend to travel within the next two weeks or wish to cancel an appointment press 3
- For assistance with completing your application form or for information about supporting documentation and counter signatures press 4
- To enquire about an application form over the telephone press 6
- For other queries press 7



When 7 is pressed by the caller they are offered 6 further options. The route taken by the caller if they choose option 6 is shown below



For all other information press 6

Please hold and your call will be connected

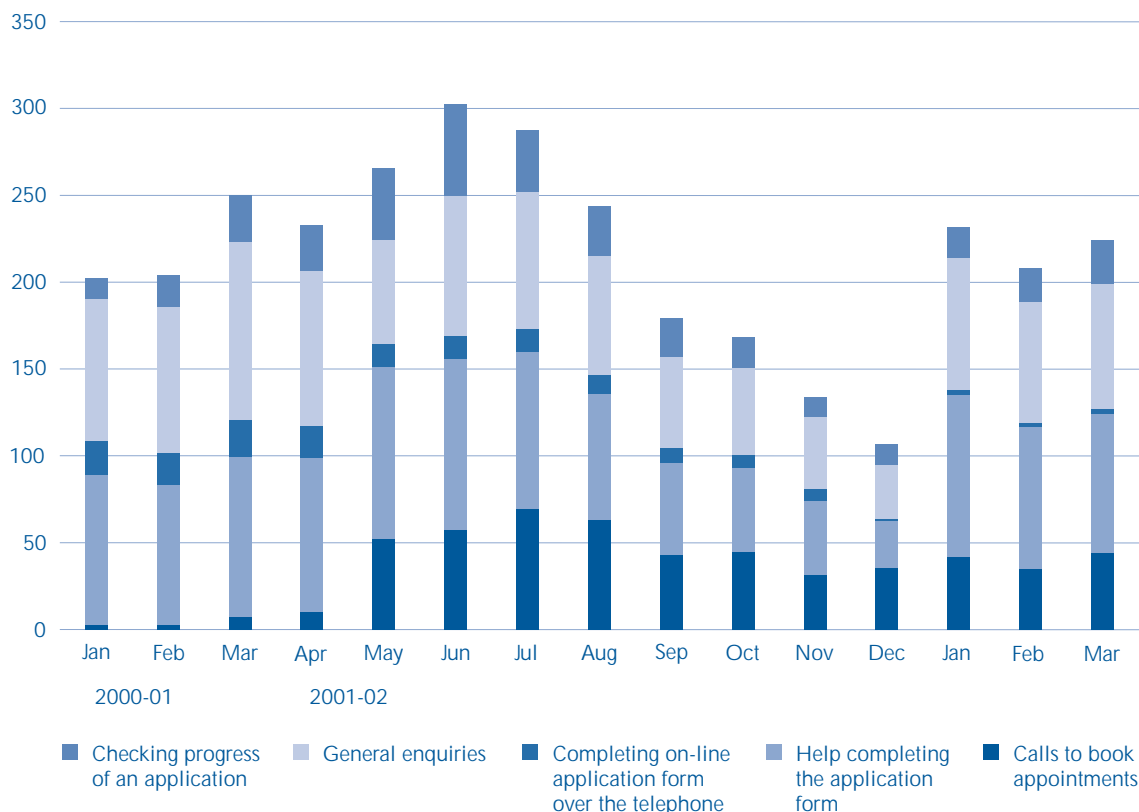
Good afternoon. Thank you for calling the United Kingdom Passport Service. My name is Lee. Can I start by taking your name please?



48 Calls to Adviceline peak in the summer

Calls peak in the summer months as the public are more likely to need passports and information to travel abroad during the holiday season

calls (000s)



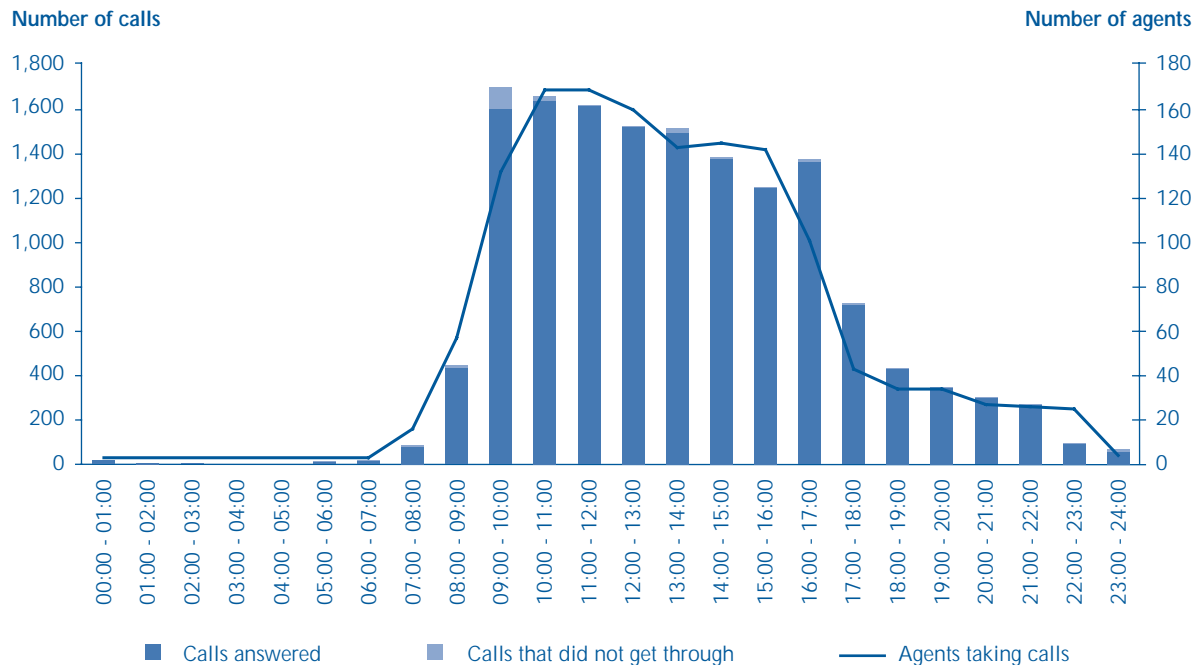
6.7 How the volume of calls is managed. Calls usually reach a peak in the summer months and are at their lowest during the winter (Figure 48). Since the Service introduced an appointments only system in 2001 for people who want to obtain their passport in person the number of calls to book appointments has also increased. On a typical day calls are at their highest during the early part of the morning (Figure 49). MM Group has deployed staff so that they broadly match the pattern of calls with the result that (i) the number of callers getting an engaged tone is very small and usually only occurs during the peak time of 09:00-10:00; and (ii) staff are utilised to minimise unproductive spare capacity. MM Group has achieved this by using work flow software to model the predicted number of calls from customers during the course of a day and translate this into the pattern of demand for agents. The work flow system matches the shift patterns of agents, such as the days of the week they work, when they start and finish, and which days they would prefer not to work and produces shift patterns for 12 days in advance for each agent. There is flexibility for agents to swap shifts with each other if they wish to.

6.8 To help smooth the peak in seasonal demand the Service allows the public to renew passports up to nine months in advance of their expiry with the incentive that the remaining length of time can be added to the new passport. This option is not widely known and because there is no legal requirement for the public to notify the Service of changes of address it is not easy to contact people whose passport will expire within a year to encourage them to renew early. To overcome this the Service is considering using the Driver and Vehicle Licensing Agency database (which the public does have to notify of changes of address) so that it can write to people whose passport will expire within a year.

49 MM Group have matched the number of agents talking calls to the demand for Adviceline

By matching the number of agents available to take calls with daily call patterns MM Group is able to minimise the number of calls that do not get through to Adviceline

Monday 13 May 2002



NOTE

1. The number of calls that did not get through is made up of calls that did not get through to automated response, calls abandoned in automated response and calls abandoned while on hold

6.9 **How quality of service is assessed.** On the **content and outcome** of responses to calls the Service carry out with the MM Group a monthly mystery shopping exercise which provides statistically representative results. Around 200 calls are made to Adviceline each month by staff independent of the call centre. The mystery shopping covers all the typical calls to Adviceline such as how to replace a lost passport, querying progress with a passport application, and seeking help in completing an application form. Call handling agents are marked out of 25 on the quality of their responses and out of six on the ease with which the mystery shopper could understand the agent. The results of mystery shopping show that generally in over 90 per cent of cases Adviceline staff provided a service which the Passport Service considered was acceptable.

6.10 On the **time taken to answer calls** Adviceline achieved an 88 per cent level of performance against a target that 90 per cent of calls should be answered within 20 seconds for both 2000-01 and 2001-02 (**Figure 50**). In addition 98 per cent of e-mails are replied to within four hours of receiving them. This two per cent shortfall in answering calls is largely explained by the peaks in demand, most notably on Monday mornings, and other factors such as postal strikes that increase the number of calls at short notice. The Service considers that it would not be cost effective to pay MM Group a premium to staff the call centre to meet the 90 per cent target at all times of the day. There was also a risk that putting pressure on staff to meet the target would act as a disincentive with existing calls having less time allocated to them with a detrimental impact on quality of service.

50 The performance of Adviceline against its targets

Adviceline has not met its target of having 90 per cent of calls answered by an agent within 20 seconds but has kept the number of abandoned calls below target and the average length of calls to below target.

Performance measure	Target	Performance 2000- 01	Performance 2001- 02
% of calls answered within 20 seconds by agent	90%	88%	88%
% of calls abandoned by caller	2%	<2%	<2%
Average length of completed calls	3 - 3.5 minutes	3 minutes	3.5 minutes
% of calls resolved to customer's satisfaction by first agent	Not targeted	80%	85%
% of agent time spent on calls	Not targeted	65%	65%
% of calls transferred to regional offices	Not targeted	15%	15%

6.11 **Operational efficiency.** The contract with MM Group includes targets for service quality and efficiency together with an incentive scheme to encourage targets to be met and service credits for poor performance. The cost of managing the contract is some £60,000 per annum. The Passport Service considers that the Adviceline is to a large extent their "shop window" and that the public's experience in telephoning it is likely to influence significantly their perception of the Service as a whole. As a result criteria for assessing the performance of MM Group in operating Adviceline has been made more demanding. For example, giving more weight to the ability of agents to resolve the call to the satisfaction of the person telephoning rather than the agent's politeness and courtesy.

6.12 To minimise the risk of Adviceline not being available MM Group uses multiple suppliers in areas such as inbound line provision to ensure that any network failure would not have an impact on the service. By having call centre operations on a number of sites MM Group can move inbound calls to other sites by activating pre-programmed network routing plans should a major incident occur. MM Group's IT systems are, however, only partially integrated with those of the Passport Service. For example, when a call is transferred from Adviceline to a Service regional office no data is transferred with the call and so the caller has to repeat the information they have already given. The Service and MM Group are examining how they could transfer data more easily between themselves, to avoid the need for callers to repeat the information they have already provided.

6.13 The Service is planning to increase the amount of detail that is provided to callers who request information on the progress of a passport application. At present they are unable to provide real time information on where a request is in the system and can only inform the caller of where the application was 24 hours previously. The Service is examining the most effective way of transferring real time information from Passport Offices to MM Group so that Adviceline can provide callers with the up to date details they require.

6.14 The Service is also aiming to reduce the number of paper based applications by incentivising customers to use alternative electronic forms of communication. It is considering the possibility of making it less expensive for customers to complete the passport application form by using post-office kiosks, the internet and the telephone rather than sending a completed application form through the post. In April 2002 the Service commissioned market research into electronic passport applications that concluded that a forecast of 50 per cent take up by customers of internet applications should be included in any business case.

6.15 **Training** so that staff have skills to deliver a service of appropriate quality. All staff receive training in handling calls and as part of their training agents complete a passport application form so that they can better understand callers' most frequently asked questions. New staff listen to calls taken by more experienced colleagues before handling calls on their own.

6.16 **Working conditions.** Staff employed by the MM Group work in an environment that complies with health and safety requirements and all staff are allocated break time. The pay structure rewards staff according to their ability and experience. Incentives are paid monthly in addition to basic pay to the pool of agents who achieved or exceeded agreed service levels. MM Group staff turnover at 6 per cent compares favourably with the call centre industry average of 20 per cent.

Conclusions

Having a dedicated telephone service for dealing with calls has enabled the Passport Service to improve significantly the quality of support and advice it provides to the public. Outsourcing Adviceline has also helped ensure that sufficient staff are available so that the majority of calls can be answered within 20 seconds. But the Service needs to continue to focus on improving customer satisfaction. There are three areas where further improvements could be made which the Service is addressing. These are assessing the impact which having seven automated response options has on customer satisfaction to see how these can be reduced; having more targeted marketing to encourage more even patterns of calls from the public; and making it possible to transfer data electronically from MM Group to the Service's Regional Offices so that callers do not have to repeat information.

Appendix 1

Our methodology

What we examined

What we did

