



National Audit Office

## DEPARTMENT FOR WORK AND PENSIONS

# The roll-out of the Jobcentre Plus Office network

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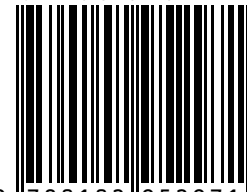
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**DEPARTMENT FOR WORK AND PENSIONS**  
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**11 February 2008**

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# job centre plus

## SUMMARY

### What is the Jobcentre Plus roll-out?

**1** The roll-out of Jobcentre Plus is one of the largest public sector construction programmes undertaken in the United Kingdom in recent years. It enabled the Department for Work and Pensions to integrate the work of two government agencies (the Employment Service and the Benefits Agency) into Jobcentre Plus in 2002, and the rationalisation of an estates portfolio of 1,500 offices.

**2** The roll-out programme was launched in October 2002. The aim was to re-design, re-brand and refurbish over 800 former Jobcentres and Social Security offices and make the job-seeking and benefit claiming experience more like that experienced in a bank or modern retail environment. The main objectives of the new network were to:

- improve service to the customer by moving to a modern office environment;
- improve efficiency by reducing the size of the estate and automating processes; and
- to provide the infrastructure for a more tailored service and help reduce unemployment.



**3** We examined the roll-out of Jobcentre Plus offices as it represents a profound change in the way the largest government agency does business with its five million customers. It introduces a radical shift from the former impersonal surroundings of the Jobcentre and Social Security offices to a modern retail-style environment and has a major impact on the way staff interact with customers and hence the quality of service provided.

**4** The focus of our report is on the programme to transform the estate into a modern office network, including the evidence on customers' reaction to the new offices. It examines whether the network has been delivered cost-effectively, whether the project management and procurement approach represented good practice, and whether the office network allows Jobcentre Plus to deliver a good service.

**5** We did not set out to examine progress in reducing unemployment or the effectiveness of Jobcentre Plus's new business processes themselves. It is, for example, difficult to disentangle the influence of the Agency's new office environments from the impact of programmes such as the New Deal for Lone Parents. Other NAO examinations have reported on the performance of the Government's welfare to work programmes in helping specific customer groups, such as older workers, disabled people, and workless households, and the Department's mechanisms to deliver the programme, such as the effectiveness of contact centres and Personal Advisers.

## Value for Money assessment

**6** Jobcentre Plus did well to deliver nearly all the planned offices while making savings against the agreed budget of £2.2 billion. Jobcentre Plus succeeded in keeping the network operating while bringing new offices on stream. Delivering the offices using a more conventional procurement strategy would have cost around 15 per cent more. The rationalisation of the Jobcentre Plus estate had saved £135 million a year by 2006-07. The roll-out has also contributed to improvements in customer service. The way the project was managed compares well with external good practice and there are important lessons for other government transformation projects.

- Staff reductions and changes to the way services are delivered mean that 858 offices have been rolled out, fewer than the 1,000 originally envisaged. However, this has not significantly affected accessibility to customers.
- 99 per cent of the planned offices have been rolled out. The intention was to complete the programme in four years, but the change of plan resulting from the centralisation of benefit delivery affected the timetable, with 80 offices being delivered in a fifth roll-out year.
- This reduction, the introduction of a more cost-effective procurement strategy and tighter project control mechanisms have enabled Jobcentre Plus to deliver the project for £314 million less than the £2.2 billion allocated to it in 2002. Of this reduction, approximately £136 million resulted from reducing the size of the programme, £120–140 million from improved procurement and around £50 million from other efficiency improvements.
- Although the new estate is 12 per cent more expensive to run per square metre because of higher quality infrastructure and locations, the estate rationalisation has released about 20 per cent of the Jobcentre Plus estate, resulting in an overall saving of £135 million a year by 2006-07.
- A number of mechanisms were introduced to contain the costs of the project during the design and construction phases, including a gateway process for estates expenditure, which defined the scope and requirements for each office, and a standard desk allocation model.
- In deciding how to use the office network in the future, Jobcentre Plus will have to take into account a number of new developments, for example an increase in mandatory customers as the Employment and Support Allowance is introduced, and greater collaborative working with other public services. The network is well-placed to respond to any changing demands placed upon it. To evolve in the future Jobcentre Plus will, however, need to review its operating model and in some areas it will be beneficial for the Agency to pursue greater collaboration with other organisations, such as local authorities, rather than expand the services delivered from Jobcentre Plus offices.

## Lessons and recommendations

**7** We consider that a number of strengths in the way the programme was managed contributed to its successful delivery, while there are some areas where there is scope to improve further. Similar projects in the Department for Work and Pensions and elsewhere in government should embrace these principles.

**8** The key factors leading to this success included:

### Communicating a vision of improvement

Communication and leadership provided by senior management (paragraph 3.6) was important in ensuring staff buy-in to the roll-out. Where staff had a positive reaction to the roll-out, this reduced the risk of a negative impact on customer service.

### Consistent leadership, strong governance and close monitoring by a central project management team

Project management structures and processes significantly improved as a result of the experience and challenges faced when rolling out the first 225 offices (paragraphs 3.5–3.9). This included:

- the establishment of a core project management team and a Senior Responsible Owner;
- a clearer understanding of the roles and responsibilities of key stakeholders;
- recognised ownership and accountability for the programme by senior management;
- more structured reporting and decision-making arrangements; and
- stability of the core project management team.

### Planning in detail and developing a replicable process

A single replicable office design and a standard seven-stage gateway process for each site roll-out (paragraph 3.31) allowed costs to be controlled closely.

### Change was managed well at sites that learned from previous experience

Local management had the support of experienced implementation managers. In some areas local initiatives were also put in place, such as staff shadowing the work of offices which had been rolled out. Our site visits highlighted that where appropriate change management processes were put in place at a local level, the roll-out was delivered effectively and staff felt confident with the new delivery of services to customers (paragraphs 3.20–3.22).

### Using partnering to incentivise contractors to innovate and reduce costs

The partnering approach adopted from 2003, and in particular the target pricing method and performance management of contractors (paragraphs 3.33–3.39), combined with other initiatives to drive down the cost of the programme. It allowed for an open and non-confrontational environment for contractors to work with the Department as one team.

### Being prepared to learn as the roll-out progressed

As a result of the experience of the initial phase, Jobcentre Plus undertook a review of the project delivery arrangements and identified a number of improvement measures (paragraphs 3.5, 3.23). This included the appointment of a works programme manager from the private sector to assist in making radical changes to the management of the programme, such as the procurement arrangements and the adoption of a single standardised design model. This openness to change also allowed the programme to respond to developments elsewhere in the Department (paragraphs 1.10, 3.26–3.29).

9 There is scope to build on this in future projects by:

**More use of quantitative data on customer volumes and the costs associated with the estate**

When the roll-out was planned Jobcentre Plus had no choice but to use a locally-driven model to plan the roll-out, but there is now scope to combine more quantitative volume planning, modelling and use of Geographic Information Systems to map office locations in relation to their customers in responding to future policy developments, including the implications of the Employment and Support Allowance (paragraphs 3.10 and 4.14). Without these there is a risk of missing opportunities for achieving efficiencies and of delivering an inconsistent quality of service across the network.

**Earlier introduction of centralised planning and management processes, and a standardised design approach**

At the beginning of the programme, detailed planning of the roll-out was delegated to local districts. Districts were considered best placed to understand the requirements of the service in their areas and the condition and configuration of the estate. A year into the roll-out; the core project management team concluded, however, that it needed more control over the direction of the programme to ensure the roll-out was completed to time and budget. The move to more centralised planning and management processes, in partnership with the introduction of more prescriptive design guidance, was effective, while some offices in districts which were rolled out early have subsequently been closed (paragraphs 2.3, 3.10–3.14).

**Finding out in advance what is important to customers and building in ways of measuring improvements**

Customers reacted favourably to the transformed office environment, but other aspects of service, some of which were also changed by the roll-out, were more important to them (paragraphs 4.6–4.12). Tracking progress in achieving non-financial benefits such as changes in customer service would have identified where benefits were not being achieved, allowed local targets and a better understanding of what improvements the new network has delivered (paragraph 3.25).



# PART ONE

## Background

### The Government's welfare to work programme and Jobcentre Plus

**1.1** One of the Government's main priorities is to raise the proportion of the population of working age in work, ultimately to 80 per cent, a level never achieved before in the United Kingdom. This is seen as necessary for the health of the economy but also as a key way of tackling poverty and social exclusion. The Government's welfare to work policies are based on the principle that those who can work should, and it has taken an interventionist approach to helping people into work.

**1.2** In March 2000, the Prime Minister announced a series of reforms to the delivery of services to people of working age seeking employment and/or claiming benefits. This announcement detailed the intention to establish a new organisation – Jobcentre Plus – that would deal with people of working age, to deliver a single, work-focused, integrated service to both employers and benefit claimants of working age in Great Britain.

**1.3** The concept of co-locating Benefits Agency and Employment Service functions in a single service was tested by 56 Pathfinder offices, launched between October and December 2001. This followed a pilot (the ONE project),<sup>1</sup> which explored different approaches to operating a combined benefits and employment service. Based on the pilot, the Department for Work and Pensions estimated that the roll-out of Jobcentre Plus offices would help more benefit recipients into work, improve customer service, allow more efficient processes to be introduced and support change from a benefit-focused to a work-focused culture amongst customers and staff.

**1.4** In April 2002, the Employment Service and the Benefits Agency were merged to form Jobcentre Plus (the Agency). The main goals of the new organisation were to:

- Reduce unemployment through offering a more work-focused service using face to face interviews with trained advisors.
- Use modern IT and telephony to increase customer access to job information and make it easier for employers to advertise vacancies.
- Reduce operating costs through a programme of rationalising the combined Benefits Agency and Employment Service estates from approximately 1,500 buildings to around 1,000 Jobcentre Plus offices (**Figure 1**).

### Treasury approval for the roll-out of the Jobcentre Plus network

**1.5** In May 2002, the Department for Work and Pensions received Treasury approval for the £2.2 billion roll-out programme to commence. The roll-out was a business change programme to enable the Agency to deliver services more efficiently and economically. The main strands of the programme of the roll-out can be split into four parts, the aim of which was to:

- improve customer service, including consistency of service and choice to customers in how they access services;
- implement modern IT services in order to capture client data once and populate systems electronically;
- reduce staff costs;
- reduce estates running costs by rationalising the estate through a programme of refurbishment, disposal and acquisition of buildings; and
- have better trained and developed staff.

<sup>1</sup> We reported on this as part of our 2002 report on *The Invest to Save Budget*, HC 50, 2002-03.

**1.6** Treasury approval was based on: an integrated business case for (1) the roll-out, (2) a new Customer Management System to allow information supplied by customers to be gathered electronically by staff, and (3) modernisation of the Income Support and Jobseekers Allowance processing systems.

**1.7** The three projects combined were expected to deliver savings eventually reaching £1 billion a year, comprising £620 million from improved movement of people from benefits into work, £280 million in efficiency savings and £100 million from reductions in fraud and error. **Figure 2** shows the interdependencies.

<b>1 Jobcentre Plus key figures</b>			
	<b>2002<sup>1</sup></b>	<b>2007</b>	
Customers (000)	5,104	4,894	
Staff (full-time equivalents)	83,300	69,300	
<b>Offices</b>	<b>Apr 02</b>	<b>Apr 07</b>	
Ex-Employment Service	929		
Ex-Social Security	527		
Jobcentre Plus offices <sup>2</sup>		811	
Benefit Delivery Centres		79	
Contact centres		31	
Flexible delivery centres		73	
Public offices	1,456	994	
	<b>Oct 04</b>	<b>Apr 07</b>	
Estate in square metres	1,857	1,477	
	<b>2004-05</b>	<b>2007-08 budget</b>	
Estate running cost, £ million	472	441	

*Sources: Nomis labour market statistics; Jobcentre Plus; Department for Work and Pensions Estates database*

**NOTES**

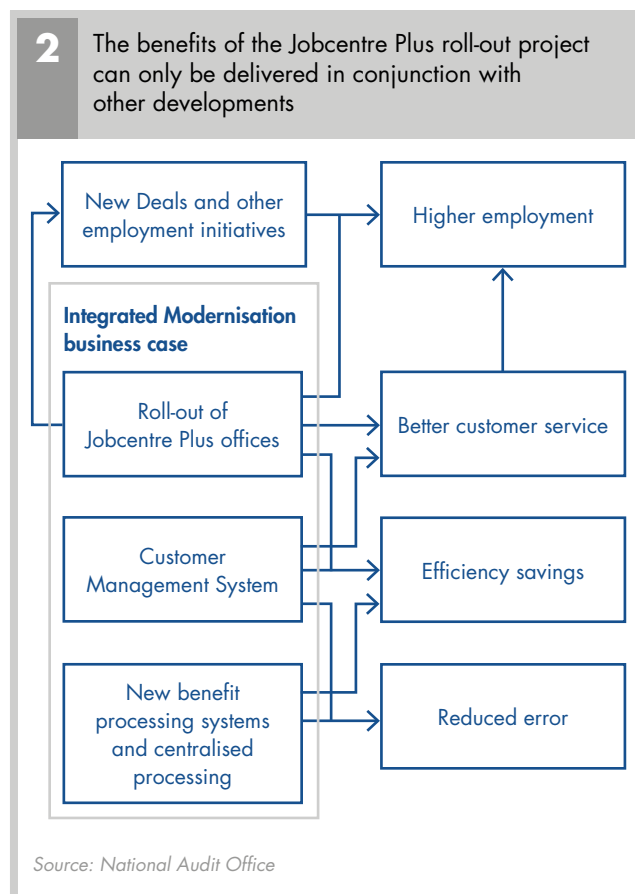
1 Some estates data are only available from 2004.

2 Fewer than the total rolled out as some offices no longer operating as full offices (paragraph 2.3).

## The roll-out of Jobcentre Plus

**1.8** The Jobcentre Plus business case stated that:

- The new organisation would provide an additional 2.2 million Work Focused Interviews per annum and help over 140,000 extra people into employment.
- Increased automation of services would improve the speed and accuracy with which benefits applications were processed. The reduction of re-work required would be a win-win by reducing operating costs at the same time as freeing up staff from back office functions to more client facing roles.
- The cost of the roll-out of Jobcentre Plus across 1,000 offices was estimated at £2.2 billion over a period of four years.



**1.9** The chronology of the roll-out of Jobcentre Plus can be split into two main periods (**Figure 3 - see throwout**). These were:

- The initial period where the approach from the central team was less prescriptive and financial control was held by the regions. However, there was a central design concept for the Jobcentre Plus offices. The first 225 offices were redeveloped under existing contractual arrangements, which varied between the ex-Benefits Agency and ex-Employment Service estates, but following an OJEU tendering process, the Department for Work and Pensions Estates appointed 14 Regional Works Contractors and specialist contractors and suppliers to deliver the office fit-out programme.
- Signs of a potential rise in overall cost led to the introduction of tighter project management arrangements, including more prescriptive guidance for regions, and new control processes for change managers to operate locally. An innovative partnered approach to estates contracting was adopted including a gateway review process and budgetary control was removed from the regions to the centre.

**1.10** As the roll-out progressed, other policy developments and changes to the related projects modified the original model of how the new offices functioned. The main changes were as follows:

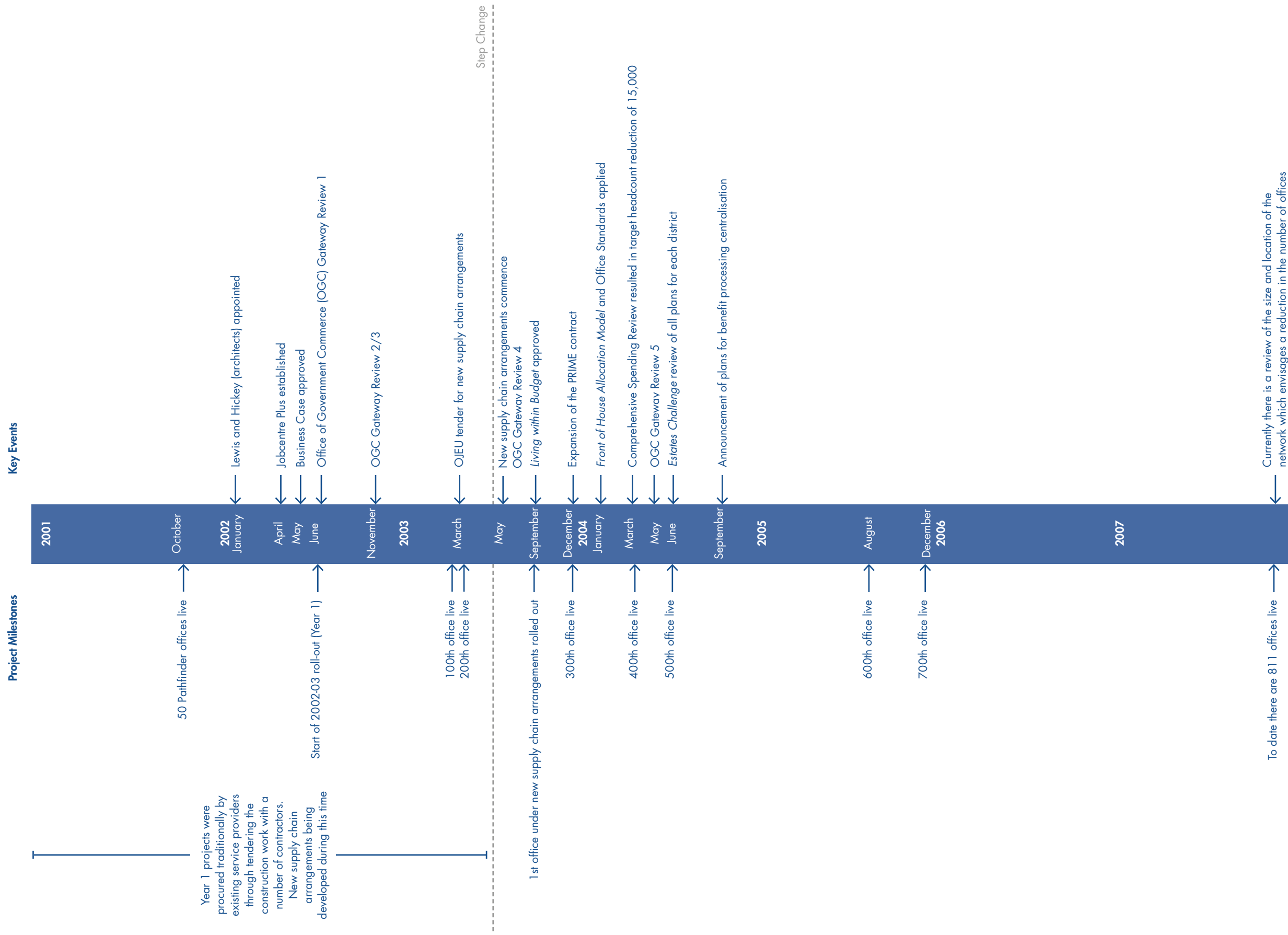
- In 2003, the Department extended the PRIME<sup>2</sup> contract, the PFI deal under which it transferred ownership and management of its estate to Land Securities Trillium, to cover the ex-Employment Service properties.<sup>3</sup> This meant that Land Securities Trillium was responsible for acquiring and disposing of properties for the roll-out.

- In parallel with the roll-out, Jobcentre Plus expanded and changed the configuration of its contact centres. The Pathfinder offices had dedicated contact centre facilities and facilities to process benefit claims. As the roll-out progressed, contact centre services were transferred to a national network of 23 contact centres.
- In 2003, the delays to the introduction of the Customer Management System meant it was decoupled from the roll-out programme, with new systems being fitted into Jobcentre Plus offices after they had been launched.
- Plans for other IT improvements changed, with upgrades of existing systems instead of a complete replacement of the Income Support and Jobseekers Allowance processing systems.
- The government-wide programme of efficiency improvements announced in 2004, included a reduction of 15,000 in Jobcentre Plus staffing and transfer of benefits processing from Jobcentre Plus offices to 79 centralised processing centres. As a result of these and revised plans resulting from the management changes referred to in paragraph 9, Jobcentre Plus changed its planning assumption to about 860 offices from the original estimate of around 1,000.
- To meet the aim of increasing the employment rate to 80 per cent, the emphasis of the Government's welfare to work strategy is changing and Jobcentre Plus needs to have more contact with Income Support and Incapacity Benefit customers, as well as those claiming Jobseekers Allowance.

<sup>2</sup> PRIME stands for the Private Sector Resource Initiative for the Management of the Estate.

<sup>3</sup> See our report *Accommodation Services for the Department for Work and Pensions: Transfer of Property to the Private Sector under the Expansion of the PRIME Contract*, HC 181, 2004–05.

3 Timeline showing key events and project milestones





## Has the office network been delivered cost-effectively?

**2.1** In this part of the report we evaluate whether Jobcentre Plus has cost-effectively delivered the roll-out programme. We specifically focus on how Jobcentre Plus planned the roll-out, controlled its costs and has sought to realise the programme's benefits.

### A network of 858 offices has been delivered successfully

**2.2** By September 2007, a total of 858 offices had been successfully launched since the start of the roll-out programme – 99 per cent of the anticipated total of 865 offices. The remaining seven sites have been rescheduled for specific local reasons and are all expected to be completed by 2008.

**2.3** As a result of the move to centralise the processing of benefits detailed in paragraph 1.10, together with the Agency's on-going evaluation of its operational needs, Jobcentre Plus is currently operating 811, or 95 per cent, of the offices rolled out, as full Jobcentre Plus offices. Since the commencement of the programme, a number of sites were found to be not suitable to effectively deliver Jobcentre Plus services. Of these, 12 have or are planned to be disposed of, while the remainder have been transferred to other Jobcentre Plus functions such as the Benefit Delivery Centre programme. As the Jobcentre Plus business evolves and further channels are developed it expects to make more changes to the network.

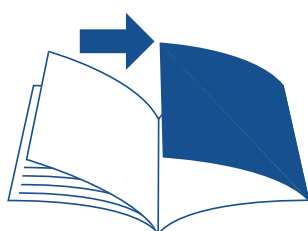


Figure 3 overleaf

### The roll-out timetable was extended to allow for other developments within Jobcentre Plus

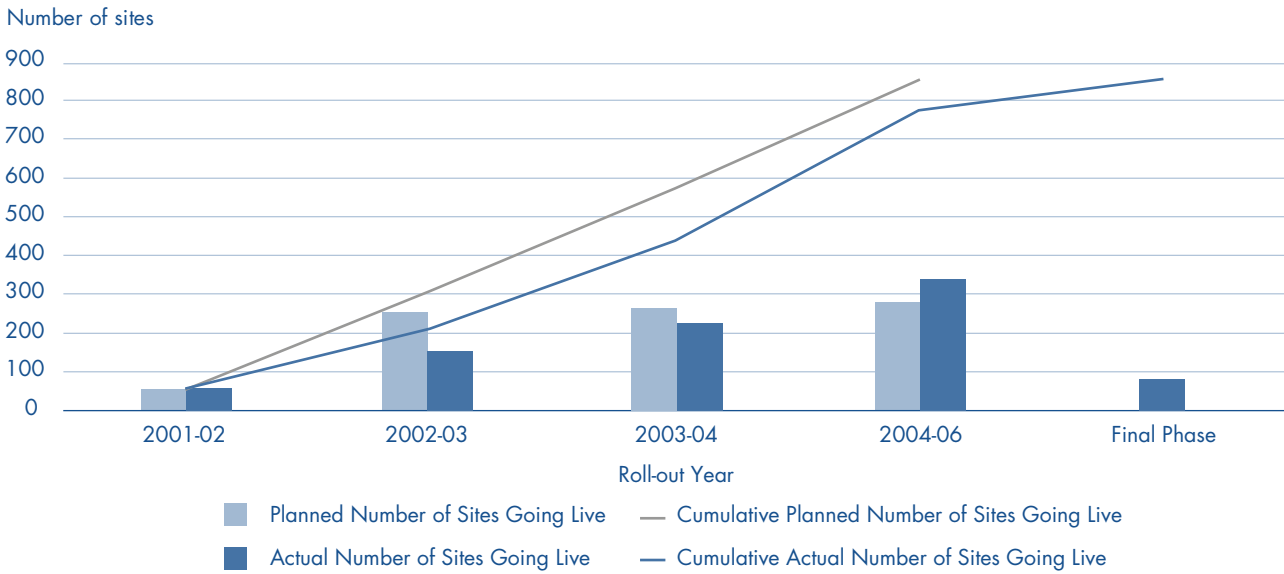
**2.4** **Figure 4 overleaf** details the number of offices that have gone live during the course of the roll-out. It shows that the programme has had to be extended beyond the four years initially envisaged and required a final phase from 2006-07 onwards. This was largely the result of revisions to the scope and design of the programme as the model of delivering Jobcentre Plus services changed. In particular, the programme was put on hold for six months to allow re-planning for the introduction of Benefit Delivery Centres and the associated changes outlined in paragraph 1.10.

**2.5** To assess performance in delivering individual site projects, we compared the dates when each office went live with the roll-out schedules. The majority of offices successfully went live within five days of their planned launch date, although 181 offices were delayed by more than 60 days. At a local level, delays were as a consequence of difficulties identifying suitable new sites, problems obtaining landlord consent and the need to deal with unforeseen structural problems, such as asbestos. We found these challenges had been effectively managed by District Implementation Managers and Regional Works Contractors.

**2.6** We do not assess the extended timetable to have had any major operational or financial impact on the programme. Although delays meant that improvements to customer service were postponed locally, the extent of the slippages experienced did not damage the programme's ability to deliver its anticipated financial savings and benefits.



**4** The programme has required a final phase to complete the roll-out



Source: National Audit Office analysis of Departmental data

**2.7** The programme considered options for acceleration, but decided that the introduction of centralised benefit processing rendered this impossible. The complexities of the programme, involving simultaneously transforming the office environment, the customer experience, business processes and the IT infrastructure, also generated critical interdependencies which constrained the pace of delivery.

**2.8** In practice the sequencing of the roll-out was driven by the programme’s obligations to deliver 225 offices by spring 2003 and a further 500 by summer 2004, as well as the *Living within Budget* review in the final two years of the roll-out. These created three ‘spikes’ of offices going live: late 2002-03, late 2003-04 and to a lesser extent in 2005. A more even sequence of roll-out projects would have assisted programme planning, procurement and ICT deployment, but was not considered possible owing to the above imperatives.

**2.9** Land Securities Trillium provided information on lease conditions and property status, which enabled the Department to make final decisions, but the Department did not involve them in District decisions on buildings to retain or dispose of. Regional estates teams provided additional input.

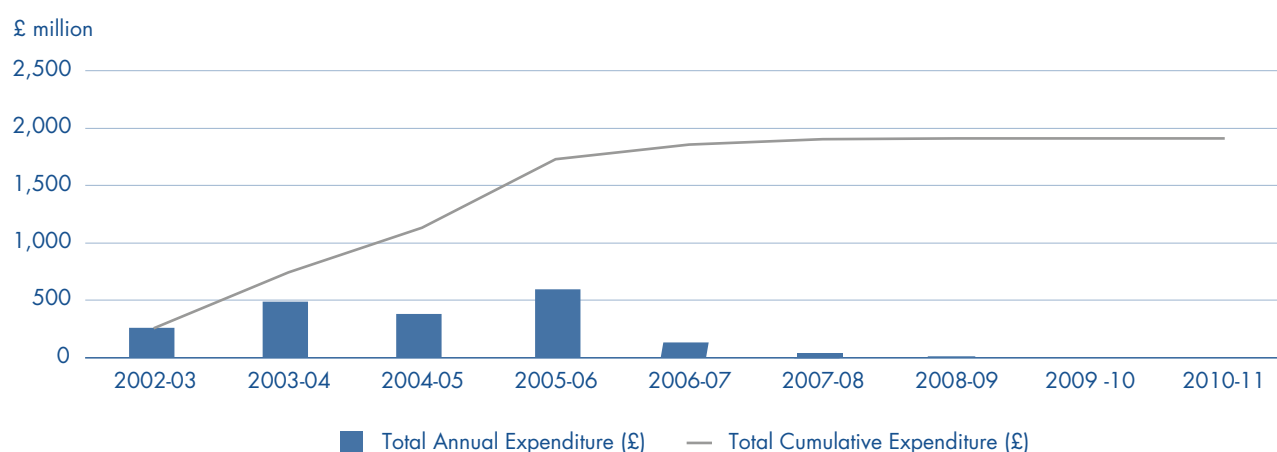
The roll-out was delivered within budget although the network was smaller than originally planned

**2.10** In 2002, the Department allocated £2.2 billion to Jobcentre Plus to complete the roll-out from 2002-03 to 2005-06, later extended to 2006-07 (Figure 5). After the first year of the programme, it was projected that to complete the roll-out would require an additional £100 million of funding. In response the Department and Jobcentre Plus adopted a series of measures to more tightly control the costs of the programme. These actions enabled Jobcentre Plus to deliver the roll-out within its budget and return £314 million of savings to the Department.

**2.11** The introduction of a partnering approach to procurement in 2003 gave the programme the means to exploit economies of scale, incentivise Regional Works Contractors to deliver projects under budget and take greater advantage of contractors’ local supply chains. In Part 3 we examine in detail the procurement and supply chain arrangements that the Department put in place and compare them to corresponding good practice.

## 5 The roll-out has cost £1.8 billion to date over the course of the roll-out

	2002-03	2003-04	2004-05	2005-06	2006-07	Total
Disposals	0	0	1	17	24	42
Refurbishments & Acquisitions	116	237	89	245	95	782
Contact Centres	2	9	15	17	0	43
New Business Processes	52	108	155	208	0	523
Information Technology	12	24	28	30	11	105
Other	78	108	96	81	1	364
Annual Total	260	486	384	598	131	1,859
<b>Funds Returned to the Department</b>						<b>314</b>
<b>Forecast Outstanding</b>						<b>54</b>
<b>Total</b>						<b>2,227</b>



Source: National Audit Office analysis of Departmental data

**2.12** In 2003 Jobcentre Plus also conducted a review of the programme's scope, specifications and costs, entitled *Living within Budget*, in partnership with architectural consultants Lewis and Hickey. This recommended that in the future offices should be smaller, that less refurbishment work should be carried out and that a standard specification for offices should be followed rigorously. The Agency took forward these recommendations: rationalising the number and size of offices that would be rolled out; implementing a specified desk allocation policy; and reducing the number of jobpoints and warm phones installed in offices in line with demand.

**2.13** The core project management team estimated that the effect of the partnering approach introduced was to reduce the forecast cost of the estates procurement by around 12 per cent compared with the first year's costs. Our examination of outturn project costs, where available, confirms that the unit cost of sites planned for roll-out in 2003-04 was some 12 per cent below sites in the 2002-03 schedule.

**2.14** Further rationalisation of the planned network was undertaken from 2004 onwards. This was driven by the transfer of benefits processing to Benefit Delivery Centres and the Agency's ongoing review of its operational needs. In total, the number of offices planned to be rolled out declined from the original anticipated 1,000 to approximately 860.

**2.15** For the later years of the programme, it is not possible to separate the impact on the budget of this rationalisation. Jobcentre Plus has calculated that through more efficient procurement and implementation of the recommendations of the *Living within Budget* review, a total of £136 million was saved over the lifetime of the programme. Improvements to the programme's disposals procedures saved an additional £50 million.

**2.16** To isolate savings which are not affected by changes in the scope and specification of the programme, we compared the cost per square metre of offices rolled out in 2002-03 and later in the programme. It should be recognised that these costs are highly variable at site level, and are only accurate if the average amount of fit-out work on site is consistent across the programme. We calculate that the procurement approach reduced the cost per square metre of the roll-out by around 15 per cent, and estimate that £120-140 million of these savings were achieved by improved procurement.

**2.17** Jobcentre Plus's ability to effectively manage the programme's budget centrally was constrained by underdeveloped financial management practices during the course of the roll-out. We found that expenditure was not adequately disaggregated by type or locality, which meant, for example, that it was difficult to disaggregate the individual costs of acquisitions and refurbishments so as to quantify the average cost of a rolled out office, and could only match budget to outturn costs for some elements of programme expenditure. As the programme progressed the core project management team did develop stronger financial monitoring systems, but continued to suffer from some limitations.

**2.18** At a local level, robust and effective financial management and monitoring arrangements were in operation throughout the roll-out. We were able to compare the budget and outturn costs of a sample of 72 Jobcentre Plus districts rolled out after 2002-03. Between 2003-04 and 2005-06, 70 per cent of the districts reviewed completed the roll-out under budget, delivering surpluses totalling £22 million.

## The PRIME contract determined the costs of disposing of sites

**2.19** Under the terms of the PRIME contract (**Box 1**) the Department acquired flexibility to vacate space it did not require. These arrangements determined the cost of disposing of sites by the roll-out.

### BOX 1

#### The PRIME Contract

In 1998, the then Department of Social Security transferred the ownership and management of its estate to a private sector company, Trillium, now Land Securities Trillium, in a PFI deal known as PRIME.

The creation of the Department for Work and Pensions in June 2001 brought together the PRIME estate (private sector) and the former Employment Service estate (public sector). In December 2003, the Department for Work and Pensions transferred the former Employment Service estate to Land Securities Trillium, under an expansion of the PRIME contract.

Under PRIME, Land Securities Trillium acquired the ownership of the freehold premises, and responsibility for rental costs, dilapidation liability on leased buildings and the cost of upgrading the buildings. Land Securities Trillium now operates the whole estate, providing services including cleaning, maintenance, catering and security until 2018.

At the end of the contract, the Department will retain the right to occupy all the buildings it wishes, with leases based on the current market terms of the day.

For a full assessment of the PRIME contract, see the National Audit Office Reports *Transfer of Property to the Private Sector under the Expansion of the PRIME contract*, HC 181, 2004-05 and *The Prime Project: The transfer of the Department of Social Security Estate to the private sector*, HC 370, 1998-99.

**2.20** Flexibility was purchased in two ways by the Department. The freedom to relinquish 10 per cent of the total estate, described as 'flexi-core', was pre-paid through the estate's unitary charge, placing no financial burdens upon the roll-out. The Department also negotiated the right to exit an additional 22 per cent of the estate classified as 'core'. However, to utilise this flexibility it was required to compensate Land Securities Trillium for the loss of rental revenue that would ensue. These payments are described as the Unavoidable Cost of Disposal and where these have been triggered by the roll-out the programme must meet these costs.

**2.21** The total cost of rationalising the estate has amounted to £42 million to date. 65 per cent of this is accounted for by Unavoidable Costs of Disposal payments to Land Securities Trillium to compensate for the reduction in the number of 'core' sites occupied and these are detailed in **Figure 6**. By 2008-09, when all disposals are expected to be completed, the Agency forecasts the total cost of rationalising the estate will rise to £56 million.

**2.22** Furthermore, the contract permits Land Securities Trillium to claim Unavoidable Costs of Services to compensate for the loss of revenue that it will experience from the vacation of a property until the lease expiry or break. These charges are in addition to the Unavoidable Costs of Disposal. The Department could not be certain that such a claim would be made until it was raised in 2005-06, and could not advise Jobcentre Plus of the extent of any liability. These costs, estimated to total £10 million, were not therefore incorporated into the programme's budget, but were allocated to the project subsequently. The Department must ensure that there are no other unknown expenses associated with the disposal of sites.

**2.23** The disposal programme involved assigning, subletting or surrendering large numbers of leases, requiring considerable expertise to manage. Given the scale of savings obtained by releasing parts of the estate quickly, as illustrated in **Figure 7**, we assess that the exit costs generated by the PRIME contract are lower than would have been experienced had the Department disposed of the estate by themselves. This confirms the Department's conclusion in 2003 that the scale of activity involved was significantly greater than could be met by its internal capacity and required a private sector-based solution. Through the effective transfer of risk to Land Securities Trillium, the PRIME contract has allowed Jobcentre Plus to control the costs of rationalising the estate.

## Jobcentre Plus's estates' running costs have declined

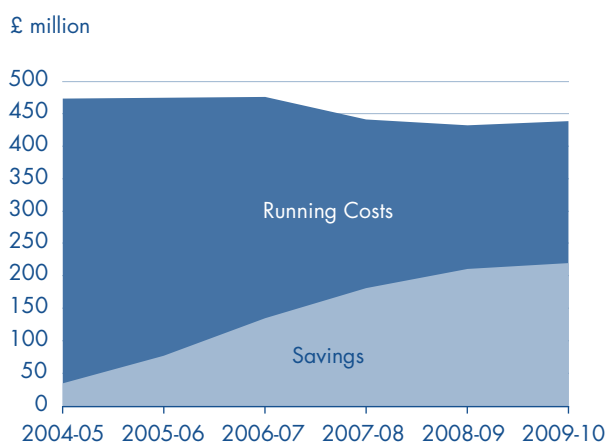
**2.24** Through the disposal of 579 sites, the new Jobcentre Plus network occupies 22 per cent less space than its predecessor Social Security offices and Jobcentres in 2004. This rationalisation has reduced the overall cost of running the Jobcentre Plus estate from £472 million in 2004-05 to £440 million in this financial year, as Figure 7 shows and generated annual cash-releasing saving of £135 million by 2006-07.<sup>4</sup>

### 6 £27 million has been paid to Land Securities Trillium to dispose of sites

	Number of Sites	Unavoidable Cost of Disposals (£000)
2003-04	3	90
2004-05	11	5,200
2005-06	24	7,300
2006-07	26	14,200
2007-08	3	800
Unspecified	1	50
<b>Total</b>	<b>68</b>	<b>27,640</b>

Source: National Audit Office analysis of Departmental data

### 7 Rationalising the estate is generating savings



Source: National Audit Office analysis of Departmental data

#### NOTE

Analysis of estates costs before and after the roll-out is hindered by the lack of historic data held by the Department and the difficulty disaggregating Jobcentre Plus activities from parts of the then Benefits Agency. Robust analysis of changes to the estate is only possible from 2004-05 onwards.

<sup>4</sup> Some savings relate specifically to the centralisation of benefit processing or the ongoing review of the network, rather than the roll-out of Jobcentre Plus offices themselves.

**2.25** Maintaining a network of modern offices that are of a higher quality and occupy more strategic positions has, however, caused the underlying unit costs of the Jobcentre Plus estate to rise. **Figure 8** shows that the cost per square metre of the estate has increased by 12 per cent overall between 2004 and 2006, the only period for which data are available.

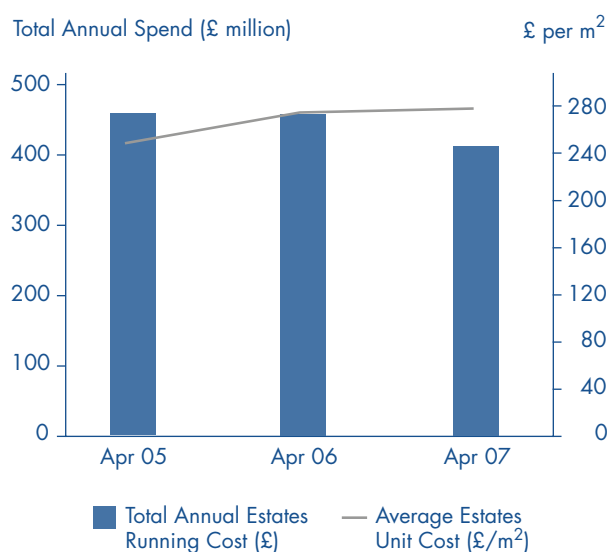
## Financial savings are greater than anticipated, but other benefits have not been quantified

**2.26** In 2002 Jobcentre Plus estimated that by 2015-16, the roll-out programme would produce benefits totalling £5.2 billion. This was based on the following assumptions:

- **Improved job outcomes** – Through the delivery of Work Focused Interviews and better-targeted interventions more customers will successfully enter the labour market, reducing benefit payments.
- **More efficient business processes** – Jobcentre Plus's new integrated model of delivering benefits and welfare-to-work services will be more efficient and effective, releasing efficiency savings back into the business.
- **A rationalised estate** – The roll-out will consolidate the estates of the Benefits Agency and the Employment Service into one smaller and more streamlined network of offices, reducing the overall cost of the Jobcentre Plus estate.

**2.27** The estates assumptions have been realised as discussed above. The other benefits are more difficult to quantify or ascribe directly to the roll-out programme. For instance, although changes in job outcomes can be measured, it would be difficult to estimate how much of these changes were attributable to the roll-out. Furthermore, some of the benefits stem from redesigned business processes that may change further within the timescale of the estimates. However, we consider that the Agency's approach was reasonable in these circumstances.

### 8 The cost of running the estate has fallen although the average unit cost is higher



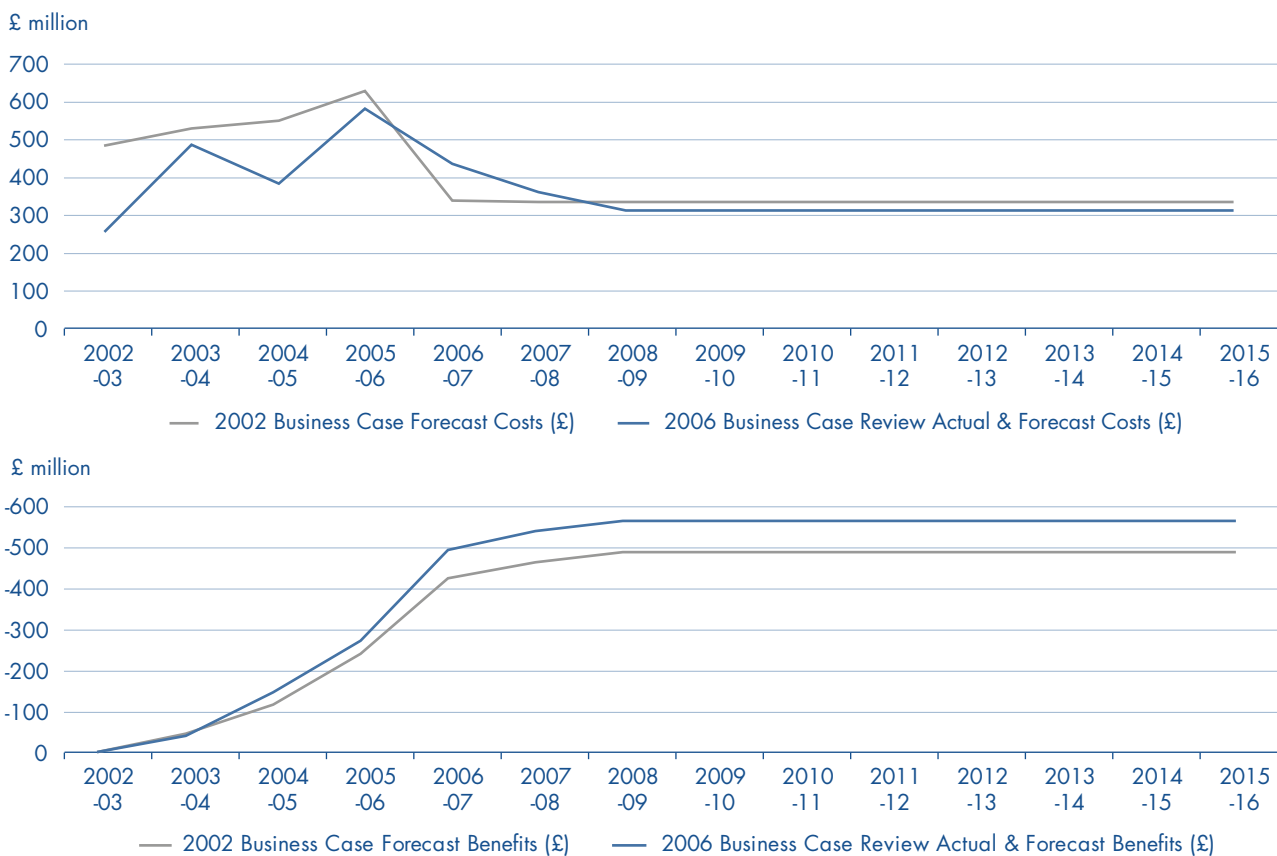
Source: National Audit Office analysis of Departmental data

**2.28** Jobcentre Plus has revised the business case assumptions annually, and now forecasts the estimated benefits at £5.98 billion. **Figure 9** shows its latest assessment of the programme's overall costs and benefits against their original 2002 estimates. Since 2002, Jobcentre Plus has remodelled its assessment using new data on the number of customers successfully entering the labour market and the efficiency savings generated by the roll-out. These changes, together with slightly lower annual costs, have served to increase the expected level of benefits attributable to the roll-out. This is planned to enable the programme to break even in 2012-13, as **Figure 10** illustrates.

**2.29** The true impact of the roll-out may be greater than this analysis recognises. The programme has further, non-financial benefits, which are not accounted for in the Agency's calculations. These include improved customer service, better staff morale and the contribution the new service will make towards a number of Public Service Agreement targets. Jobcentre Plus did not measure or track these as the programme progressed. In addition, following Treasury advice, the Agency did not attribute a financial benefit to some of the changes to its business processes, including, for instance, more contact with sick and disabled clients. To the extent that these other benefits have been realised, the analysis understates the projected outcome of the programme.

### 9 The annualised realised and anticipated costs and benefits of the roll-out

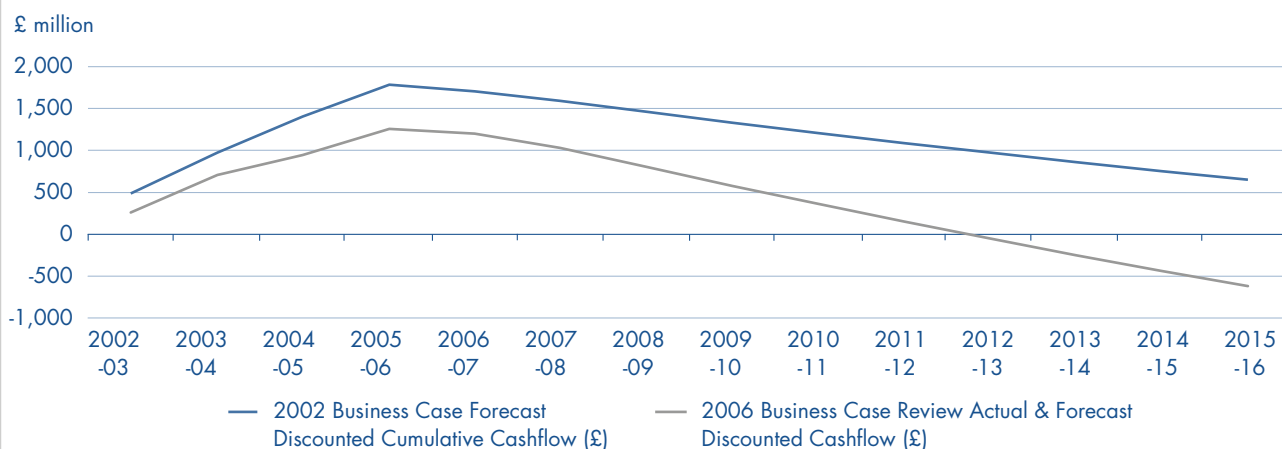
This graph shows the projected overall costs of delivering and operating the Jobcentre Plus network and the estimated benefits that the new network will generate for the Agency.



Source: 2006 Jobcentre Plus Business Case Review

### 10 The net present value of the roll-out

This graph shows that the £2.2 billion invested in rolling out the Jobcentre Plus network is expected to deliver a positive return for the Agency from 2012-13 onwards.



Source: 2006 Jobcentre Plus Business Case Review

**NOTE**

Figures are discounted from 2006 onwards according to HM Treasury guidance.



## Do project management and procurement arrangements represent good practice?

**3.1** Projects are inherently at risk through overrunning on time and cost and/or failing to deliver a successful outcome.

**3.2** Work done by the NAO and government organisations such as the Office of Government Commerce, has found that such failures can be attributed to: poor project definition by the project's owner; lack of ownership and personal accountability by senior management; inadequately skilled and experienced project personnel; inadequate reporting arrangements and decision making; and an inconsistent understanding of required project activities, roles and responsibilities. Project management helps to reduce and manage these risks by putting in place a structure where lines of accountability are in place and the responsibilities of individuals are clearly defined.

**3.3** In our assessment of whether the project management and procurement arrangements for the project represent good practice, we benchmarked the project against good practice principles outlined in previous NAO reports and toolkits, Office of Government Commerce better practice and current good practice in government (Appendix 2). We also commissioned consultants (Accenture) to compare the way the project was managed and the procurement arrangements in place against private sector experience. With our consultants, we also consulted with project stakeholders including the project team, representatives of the main project contractors, the Department's Estates team, Jobcentre Plus operational managers, and field staff.

**3.4** Our comparators are based on the retail banking experience and have been separated in boxes within the text to provide comparative learning and good practice examples from the private sector.

### Project management compared well against good practice

#### Governance

**3.5** Stronger governance arrangements were put in place for the project as a result of an external review in 2002. Prior to this, the roles and responsibilities for the project were unclear and there was no overall responsibility or accountability for the project by senior management.

**3.6** Roles and responsibilities of the core project management team were clearly defined and a Senior Responsible Owner was made accountable for monitoring, controlling and delivering the programme. Various committees and reporting groups, particularly the Project Steering Committee and National Checkpoint<sup>5</sup>, were also put in place to provide the Senior Responsible Owner with support and guidance as well as assistance in managing and monitoring major programme risks and issues.

**3.7** Clear reporting arrangements were put in place at a district and regional level to provide assurance to the project stakeholders. Risks to the project were actively monitored and reviewed by a Risk Review Board and escalated to the Project Steering Committee when necessary.

<sup>5</sup> National Checkpoint was a formal planning and progress monitoring meeting held on a weekly basis. The focus was on progress against plans, day to day management of implementation issues and the primary linking forum across key areas of implementation activity.

**3.8** Senior management leadership remained consistent during the project. Project stakeholders have commented that this was a key strength to the success of the project as it enabled a consistent approach and leadership style. Stakeholders also suggested that the Senior Responsible Owner and senior management team adopted a proactive approach to managing the project, characterised by fast and effective decision making.

**3.9** The project team, staff in local offices and external stakeholders have commented that the creation of Jobcentre Plus was a transformation from previous business practices. The re-designed environment and changes to the services provided to customers helped build commitment to this vision of better service.

## Planning

**3.10** Whilst an overall vision of the service improvements was successfully communicated from the centre, the detailed planning of the roll-out was delegated to the districts, particularly the District Programme Manager. Implementation of Jobcentre Plus was a locally driven process; however there was support from the core project management team, including Estates, during the planning and roll-out stages. Jobcentre Plus considered that districts were best placed to plan as they had knowledge of customers and sites. Each district was required to prepare a Service Delivery Plan identifying which offices were to remain open, close or moved. Plans also contained estimated costs and savings arising from changes to the occupancy of offices in the district.

**Allowing local areas to be involved in the development of plans and delivery schedules is recognised as good practice by our comparators as it encourages buy-in and commitment of the project at a local level as well as using their local knowledge.**

**3.11** Localised planning allowed Jobcentre Plus to make early progress with the roll-out, as the districts which were ready first could be scheduled for early roll-out. It also encouraged buy-in and commitment to the changes, which played a key part in building support for the project, as well as getting a sense of what would and would not work in a Jobcentre Plus office.

**3.12** Specifications of what each rolled-out office would contain were modified as the programme progressed. As Service Delivery Plans developed there were differing interpretations of what offices should contain, and the provision of office space was different across the country, leading to a risk of failing to realise the benefits of the design and ability to ensure security. Offices at the start of the programme cost more to roll-out than those opened from late 2003 onwards.

**3.13** Based on work being done on the achievability and affordability of the programme during the first year roll-out, Jobcentre Plus adopted a series of measures to more tightly control the costs of the programme (paragraphs 2.10–2.12). This required Service Delivery Plans to be reviewed and challenged to ensure that the use of the estate was being optimised.

**3.14** The scope for each office became more tightly defined from September 2003, when the programme's concept architect, Lewis and Hickey, were asked to employ a more prescriptive approach to the design of Jobcentre Plus offices. This resulted in the 'Office Standard' specifications.<sup>6</sup> The Front of House Desk Allocation Model,<sup>7</sup> developed in late 2003, also assisted with this. Both were applied to the programme in early 2004.

## Stakeholder management

**3.15** Internal and external stakeholder communication from the core project management team was effective. Project stakeholders commented that when negotiations took place at a national level they felt that they were consulted and kept informed.

**3.16** District Managers, in conjunction with their District and Regional Change managers, were responsible for undertaking formal consultation with external stakeholders such as trade union representatives, local authorities and constituency MPs. This was done at various stages during the planning process and continued throughout implementation.

**3.17** Guidance for consultation with stakeholders was provided by the core project management team. Information on stakeholder consultation was then provided in the Service Delivery Plans; however, we found it difficult to assess how well local consultation was undertaken, as this is inconsistently documented.

<sup>6</sup> Office Standard specifications identified aspects of the existing building fabric that could be retained (for example existing ceilings and some desks) subject to key criteria.

<sup>7</sup> Front of House Desk Allocation Model is a spreadsheet that calculated the number of desks and rooms for each Jobcentre Plus office based on footfall figures.



## Resources

**3.18** Overall, the programme was well resourced. The core project management team recognised a weakness in skills and expertise and brought in specialists to fill these gaps, particularly for change management support and the development and adoption of the new procurement strategy.

**Comparable projects commonly use retail strategy advisers to help inform decisions around the location of branches. These might have benefited the project and could be considered for future projects.**

**3.19** While those involved in the programme worked as one team, there was no formal structure or process in place to transfer the specialists' knowledge, skills and experience back to Jobcentre Plus once the roll-out was near completion. However, staff involved in the estates procurement area have passed on knowledge to other Department-wide projects. We encourage the sharing of this knowledge and skills as well as lessons learned from the programme.

**3.20** Training for staff in Jobcentre Plus offices varied. During our site visits, staff at some sites commented that training was good and well organised. However, others told us that they were not adequately trained and felt overwhelmed during the first few months of their offices being open. Limited staff time to cover positions while staff undertook training was also an issue.

**3.21** A readiness review process was put in place for the project, which included sign-off on staff readiness. However, feedback from project stakeholders suggests that the reliability of this process was questionable, particularly when it was first introduced. No spot checks were requested to support the sign-off certificates. This might have identified some of the issues in relation to staff training.

**Our comparators put in place a process to undertake random spot checks of readiness certification before a site went live. During these checks, evidence was requested to support the readiness requirements that had been undertaken. This process was effective in ensuring compliance with the readiness process and ensuring all activities had been undertaken.**

**3.22** Different solutions were put in place at a local level to deal with weaknesses in training. Local initiatives such as shadowing of staff at offices where new processes had already been rolled out helped make the roll-out more effective, but lessons learned were not shared across offices in all cases. This might have assisted staff during the roll-out to deal with common problems.

**Shadowing of staff operating in an environment that has gone live is consistent with our comparators. It enables staff to become familiar with the new environment and working practices before their own offices go live.**

## Monitoring and review

**3.23** The changes to project management resulted in structured monitoring and review processes. National and regional groups met weekly to review and monitor progress of the programme. This included reporting on any deviation to the programme and actions being taken to address it, as well as change control issues arising. The Estates team also had a daily view on progress of the roll-out based on information from the sites and District Programme Managers when requested. Senior management also met monthly to review the programme, monitor progress and assess key milestones achieved, and the project director was appointed to the Jobcentre Plus Management Board for the duration of the project, reflecting its importance.

**Reporting on progress on a weekly basis that is then reviewed by the central project management team is consistent with our comparators. However, a daily view on what should be completed is leading edge.**

**Our comparator adopted an approach that enabled the central project management team to have a view on what work should be completed on a daily basis and be informed of its status. This enabled any project slippage to be rapidly identified, its impact determined and timely and effective interventions put in place.**

**A dedicated team with experience of managing problem projects was in place to address these projects. The team would be deployed to provide support and assistance to the implementation team. During this time, the project in question would be taken out of the delivery schedule, so as not to impact on the wider programme. Once the problems were solved and issues addressed it would be slotted back into the schedule.**

**3.24** Reviews of the roll-out were also undertaken by the Department's internal audit, which was also represented on the Project Steering Committee, the Office of Government Commerce and consultants commissioned by the Department. The programme took on board recommendations made by these external reviews and made adjustments to the project as it progressed.

**3.25** As the roll-out project was not developed and set up as an integrated programme, the project team was not able to work out in detail how all its various elements would join together to deliver specific benefits beyond estates savings. It did not identify specific, measurable improvements to be achieved by parts of the programme outwith the estates element, such as IT and business change, or measure progress in achieving non-financial benefits such as changes in customer service (paragraph 2.29). Planning for the achievement of specific, measurable improvements in these areas could have:

- allowed the development and assigning of target levels of performance improvement at a local level;
- allowed identification of where anticipated benefits are not being realised as forecast, and the development of timely, targeted and effective actions to address the causes; and
- provided the opportunity to baseline the identified benefits and their proposed metrics, helping to understand the level of improvement achieved, identify what would constitute success and enable effective challenging of perceptions that performance was better before the change.

## The commercial arrangement had innovative features

### Planning the procurement approach

**3.26** The first 225 offices were rolled out under the contractual arrangements already in place, which varied between the ex-Benefits Agency and ex-Employment Service estates. Jobcentre Plus decided that given the tight timeframe to deliver, it did not have sufficient time to undertake a procurement process and put new contracts in place as there would be an unacceptable delay and loss of momentum to the project. These offices were high cost and resulted in budget and cost challenges to the project in 2003 (paragraphs 2.10–2.11).

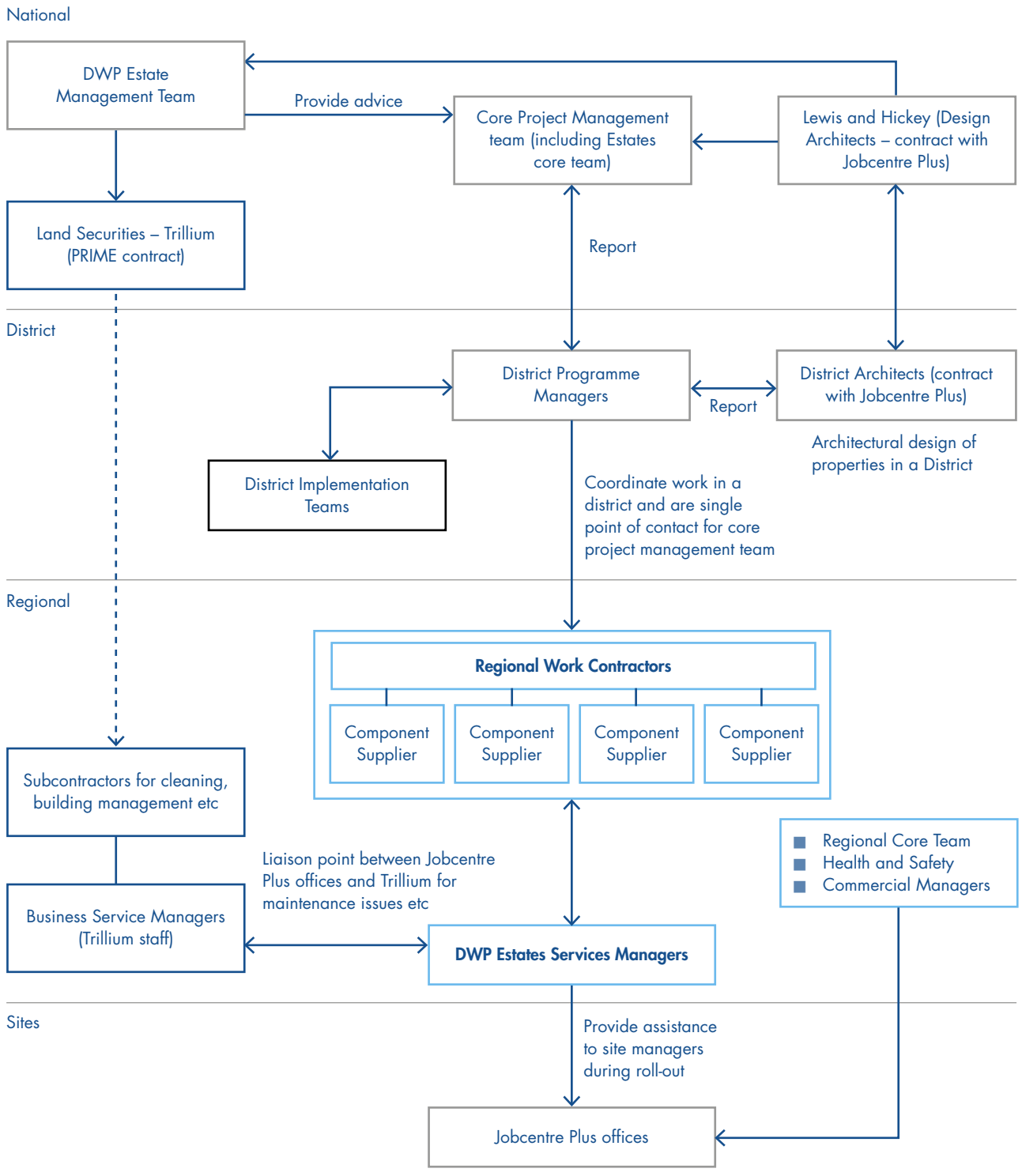
**3.27** In 2003, the Department negotiated an extension to the PRIME contract with Land Securities Trillium (Box 1) to include the ex-Employment Service properties. This resulted in Land Securities Trillium being responsible for all properties in the estate. Land Securities Trillium considered that they did not have the capacity to project manage the whole roll-out and agreed with the Department that it would look at a new way to help deliver the rest of the project.

**3.28** Recognising this challenge, the Department engaged procurement expertise (on advice from Land Securities Trillium) to assist with the programme. They concluded that a partnering environment was the best way to deliver the rest of the roll-out, rather than traditional contracting arrangements with hierarchical relationships. The intention was to generate the opportunity to obtain costs below those normally experienced by competitive tendering as well as having a single integrated team where all parties were deemed equal partners. Not having sufficient in-house skills and expertise with partnering, the Department seconded specialists to form part of the core project management team.

**3.29** The Department undertook an OJEU tendering exercise that resulted in the selection of Regional Works Contractors, specialist contractors and suppliers being contracted to roll-out the remaining Jobcentre Plus offices. All Regional Works Contractors signed one contract which set out the same terms and conditions from the outset. This enabled the roll-out to progress without renegotiating contracts for each site the contractor delivered.

**Figure 11 overleaf** shows the contractual relationships and reporting lines, the coloured boxes show those arrangements that changed when the new supply chain arrangements commenced.

**11** Estates arrangements and reporting from May 2003



Source: National Audit Office analysis of Departmental data

**3.30** The Department identified those goods that would benefit from central purchasing, whilst leaving enough flexibility in the supply chain for Regional Works Contractors to leverage their local knowledge and sub-contract. A number of commodity items were then packaged into different components, such as security goods like fire alarms and CCTV equipment. This helped to get maximum value from the suppliers and made procurement easier. This approach represents good practice.

Private sector benchmarks for large construction or refit programmes delivered in a partnership approach suggest the level of contracted spend should be between 60 to 70 per cent of the project's costs.

The average contracted spend on the Jobcentre Plus project was approximately 35 per cent of the total costs. However, it is considered that the level of un-contracted spend was appropriate for this project due to the Regional Works Contractors' requirements. Any more contracted spend would have reduced the Regional Works Contractors' ability to leverage their knowledge of local supply chains and deliver the best value solution.

**3.31** The new procurement strategy enabled costs to the project to be contained during the design and construction phases. This was achieved through the estate gateway process (**Figure 12 overleaf**) (defined the scope and requirements for each office); use of a cost model (based on offices rolled out in the past); and the Front of House Desk Allocation Model.

The following are two examples of how costs for a project can be controlled but by different means.

The estate gateway process represents project management good practice as it creates a consistent project lifecycle for all the offices to be rolled out and helps to control both scope and timeframe.

The use of an allocation model mirrors our comparators. A prioritisation framework was developed to decide on the design and deployment of individual branches. The allocation model was also found to be an effective tool to reduce deployment duration by accelerating decision making.

**3.32** Despite the success of the procurement strategy and supply chain, planning of the procurement approach could have been stronger. Better practice would have involved more preparatory work undertaken by the Department, before bringing in an external specialist to assist with the project management and procurement strategy for the project. This would have involved having a high level organisational design for the team (including project operating model, role descriptions and competencies and outline of standard processes and tools) that a potential specialist would then be expected to include as part of a tender.

### Partnership arrangements

**3.33** The partnership approach to the majority of the supply chain was one of the primary changes to the project's procurement arrangements. Stakeholders have commented that the project was successful in creating a completely open and non-confrontational environment that allowed for Regional Works Contractors, sub-contractors and suppliers to work with the Department as a single integrated team. This was achieved through:

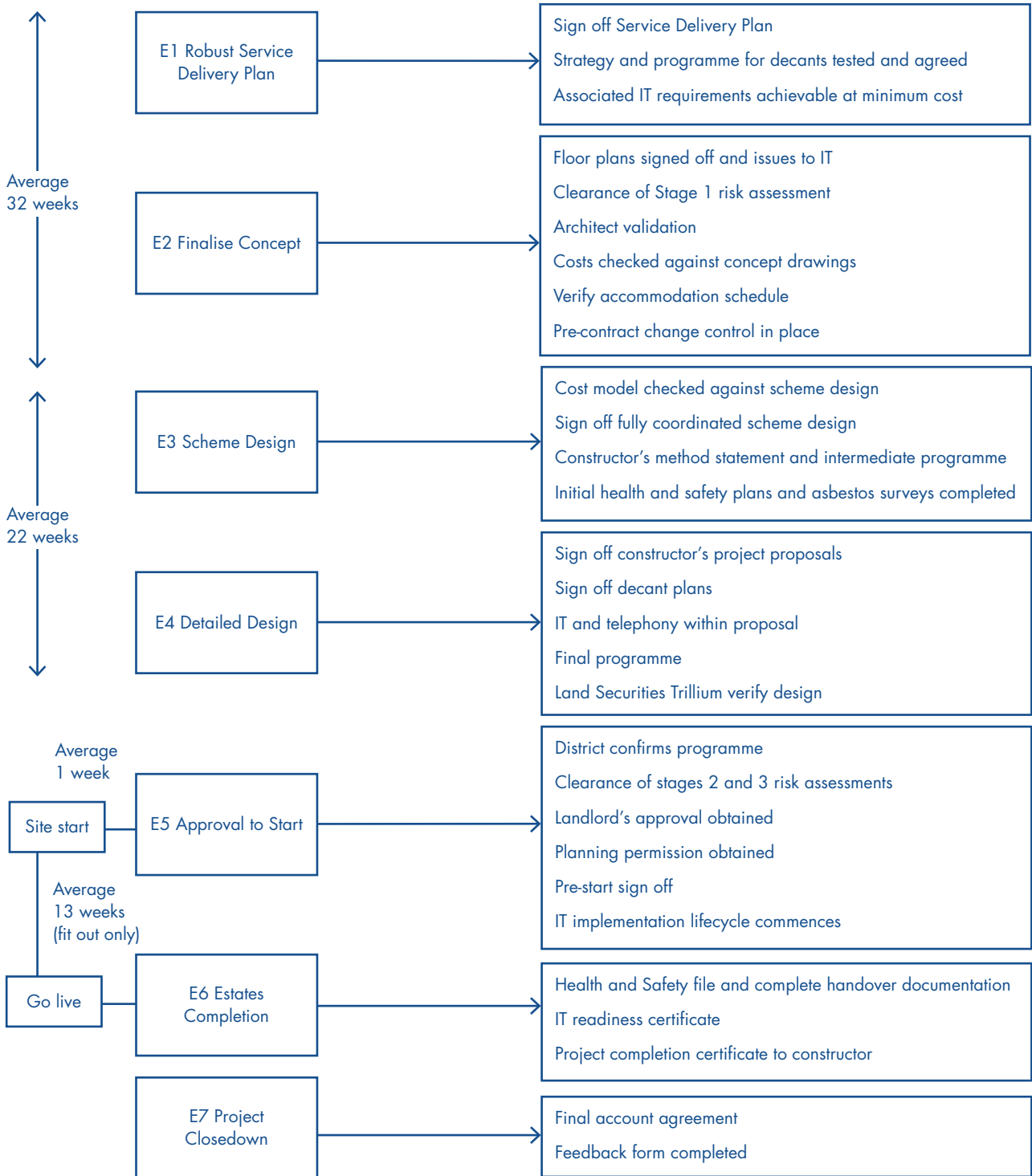
- open book approach for target cost pricing;
- payment of actual costs to contractors;
- incentives through cost saving and performance targets;
- no penalty clauses or retentions; and
- allocation of workload based on performance against a balanced scorecard.

A partnership approach is an arrangement appropriate for high cost, risk or complexity components or in capital programme procurement projects and is typical in the retail and upstream oil and gas arenas.

### Incentivisation scheme and performance management

**3.34** The appointment of Regional Works Contractors was another primary change to previous arrangements. They were appointed to manage and deliver the network of offices within a specified region.

## 12 The estates gateway process



Source: Department for Work and Pensions project documentation

**3.35** An incentivisation scheme for Regional Works Contractors was put in place to help ensure the roll-out of offices would be on time and on budget. The incentive for Regional Works Contractors was the possibility of obtaining extra profit that was created if a project was delivered below its forecasted costs. This was also dependent on the Regional Works Contractors scoring well across their Key Performance Indicators. Regional Works Contractors were assessed and ranked against each other which encouraged improved performance as well as identifying and addressing any inadequacies or deficiencies in their involvement with the roll-out. Penalty payments were not used, but contractors which performed poorly were not given further work.

**3.36** The scheme was well thought out and delivered. However, evaluation of Regional Works Contractors against the Key Performance Indicators could have been undertaken more frequently than every four months, particularly in the early stage of the programme. However, there is no evidence to suggest that the long period between reviews impacted on the programme.

**Our comparators suggest monthly reviews in the early stage of a project moving to a minimum of quarterly reviews as the project matures. This assists with providing early visibility of issues so that they can be addressed before they impact on the project.**

**3.37** The risk of the programme over-running on cost was minimised by having Regional Works Contractors involved in completing designs for each office as well as the use of a cost model that was used to challenge forecasted project costs. However, the contract exposed the Department to significant cost risks as it did not include a cap on cost over-runs for the Regional Works Contractors. The project took on full exposure to the cost over-runs if the risks had been realised. The Department considers that as it would expect suppliers to increase their price to reflect the risk imposed by a cost cap, its approach was the best way of obtaining high quality at the lowest possible cost.

**Experience within the private sector is to include a downside penalty or maximum limit up to which cost over-runs will be reimbursed to protect the agency from the risk of losing control of the project's budget. This enables control of excessive over-runs whilst giving some margin of error to the supplier.**

**3.38** There was strong performance management of key contractors and suppliers throughout the project. A suite of performance feedback reports was developed by the Department in order to measure and provide feedback as to how those in the supply chain were performing. This included Regional Works Contractors as well as specialist contractors and suppliers.

**3.39** Partnering in the supply chain has been held up as industrial good practice, in particular the emphasis placed on adopting an open non-hierarchical culture throughout the supply chain. The project has received nine awards including, the Government Opportunities 2004 Award for Public Procurement Excellence and the Building 2005 Integrated Supply Chain of the Year award.



## Will the new office network allow Jobcentre Plus to deliver a good service?

**4.1** This section examines whether the offices have achieved the intended improvement in the customer experience, whether they are in the right places to serve customers, and whether they provide sufficient flexibility for Jobcentre Plus to respond to new demands. Our conclusions are based on an analysis of quantitative and qualitative research into the customer experience, including a review of its quality, visits to 15 Jobcentre Plus sites and interviews with key stakeholders.

### Customer experience in the new office network

**4.2** Before the establishment of Jobcentre Plus, people looking to claim benefits had to deal with up to three separate government bodies:

- **Local authority offices** handled those eligible for Housing Benefit or Council Tax Benefit;
- **Social Security offices** dealt with anyone of working age needing any central government benefit – except Jobseeker's Allowance; and
- **Jobcentres** handled people who had lost their jobs and needed to claim Jobseeker's Allowance, to sign on and to be helped to find work. People claiming benefits other than Jobseeker's Allowance were entitled to help to find work but there was no compulsion to do so.

**4.3** Under the new model, all benefit claimants are handled through the integrated Jobcentre Plus system. The first point of contact is a telephone contact centre which gathers information and books a Work Focused Interview<sup>8</sup> with a Personal Adviser. Benefit claims and other financial issues are dealt with during an appointment with a Financial Assessor who then sends any claims to be processed by a Benefit Delivery Centre. The Personal Adviser then carries out a compulsory Work Focused Interview. Appendix 3 sets out the Jobcentre Plus customer journey in full.

**4.4** Social Security offices and Jobcentres tended to provide a negative environment for customers, characterised by the Department as '*them and us*'.<sup>9</sup> Signing-on involved waiting in long queues or on hard, uncomfortable seating; interviews in uninspiring, impersonal surroundings separated by security screens; and local vacancies displayed only on notice boards with rows of index cards. As our report, *Delivering effective services through Personal Advisers*<sup>10</sup> set out, Jobcentre Plus offices are more pleasant and open plan, queues have been mostly abolished in favour of timed appointments and nationwide job vacancies are available to view on touch screen terminals.

**4.5** The Department for Work and Pensions has commissioned several pieces of quantitative and qualitative research into the customer experience of Jobcentre Plus. Our review of the quality of this research found the evaluations to have a high level of methodological rigour and a sound understanding of customer experiences. The Department is currently collating the results of its customer satisfaction survey 2007 and will be publishing a report in early 2008.

<sup>8</sup> Work Focused Interviews became compulsory for all benefit claimants (unless they were waived owing to certain circumstances such as being seriously ill) as new Jobcentre Plus offices joined the network.

<sup>9</sup> Jobcentre Plus Design Manual, July 2004.

<sup>10</sup> *Delivering effective services through Personal Advisers*, HC 24, 2006-07.

## Overall, customer satisfaction with Jobcentre Plus is high

**4.6** Eighty six per cent of customers surveyed by the Department were very or fairly satisfied with the services provided by Jobcentre Plus, an improvement on Jobcentres (80 per cent) but slightly less than the levels of satisfaction with Social Security offices (88 per cent).<sup>11</sup> The aspects of service the Department tested with customers<sup>12</sup> improved as the roll-out progressed – Jobcentre Plus received an average ‘very good’ rating of 55 per cent in 2005, an increase of 5 per cent from 2004. Taking into account the importance to customers of different aspects of service, Jobcentre Plus was rated most highly on ‘*friendliness and politeness of staff*’ and ‘*finding out about vacancies*’ and least well on ‘*staff knowledge*’ and ‘*finding out about benefits*’. Overall, customers rate the performance of Jobcentre Plus offices more highly than Social Security offices or Jobcentres.

## Factors outside the Jobcentre Plus offices may have led to reduced customer service in some areas

**4.7** The Jobcentre Plus model relies on reducing the ‘footfall’ (visits) in offices and placing more responsibility on the customer to claim benefits and find a job. Many of the staff we interviewed found it difficult to adapt to this new model, feeling that it did not allow them to provide the same level of customer service. A large number of these staff, however, said that once they and the customers adapted to the new model they could actually see the advantages to customer service, for example information collection via a telephone contact centre reduces the amount of form filling.

**4.8** Staff in some of the sites we visited told us of problems outside the Jobcentre Plus offices which impacted on customer service:

- customers experiencing trouble getting through to contact centres;
- delays in processing claims at the Benefit Delivery Centres; and
- customers experiencing problems in contacting the Social Fund contact centre to arrange crisis loans.

**4.9** This is supported by the Department’s research which showed significant increases between 2004 and 2005 in customers trying to contact Jobcentre Plus by phone who had not had their call answered (from 13 per cent to 17 per cent) or found the phone to be constantly engaged (from 19 per cent to 24 per cent), although our report on *Delivering effective services through contact centres*<sup>13</sup> noted that performance improved during 2005-06. Improving the phone service was the single biggest aspect of service on which customers desired change. Telephony is the subject of continuing improvement work by Jobcentre Plus.

**4.10** Some groups of customers feel better served by Jobcentre Plus than others. Different groups of customers – jobseekers, lone parents, customers claiming a health or disability payment and carers – can have different experiences at each step of their journey through the Jobcentre Plus system. Examples of this are set out in **Figure 13 overleaf**.

## Overall satisfaction with the office environment has improved under Jobcentre Plus

**4.11** Based on focus groups and other evidence, in general, customers’ impressions of the office environment were positive, regarding it as clean, tidy, modern and pleasant. Customers were more likely to rate the Jobcentre Plus office environment and facilities ‘very good’, compared with Social Security offices and Jobcentres. However, the picture is more mixed taking into account the importance customers place on aspects of the environment. This shows improvements in the accessibility and convenience of Jobcentre Plus offices and the ease of finding information, but dissatisfaction with the amount of privacy in the office. 74 per cent of customers thought privacy was ‘very important’ but only 26 per cent thought it was ‘very good’.<sup>14</sup> The amount of privacy within offices was considered ‘fairly good’ by 38 per cent of respondents; while 36 per cent considered that privacy was ‘poor’. This was similar to the position in Jobcentres, but better than in Social Security offices. On some of our site visits we observed desks positioned very closely together, particularly in smaller offices. Several members of staff we interviewed also cited concerns about customer privacy, especially when dealing with difficult personal issues such as health problems. Jobcentre Plus’s Customer Service Standards state that staff will use a private interview room if they can, when customers need privacy.

11 Comparable surveys were not undertaken before 2004, but it is possible to compare rolled-out Jobcentre Plus offices with Jobcentres and Social Security offices which were still operating under the old arrangements.

12 These are that: you are treated with respect as an individual; staff provide the help you need; staff respect your privacy; staff are knowledgeable about the help available to you; staff try to find out your needs and circumstances in order to help; staff are friendly and polite; you are able to find out about benefits; there is help available for those who have difficulty with English; you are able to find out about job vacancies; your business is dealt with quickly; and staff tell you their name and wear a badge.

13 *Delivering effective services through contact centres*, HC 941, 2005-06.

14 Privacy was also identified as an issue in our report *Delivering effective services through Personal Advisers* (ibid).



**4.12** Customers were less likely to regard the office environment and facilities as ‘very important’ than aspects of services relating to staff and support. Many of the staff we interviewed confirmed that, despite positive feedback, customers were more focused on achieving the outcomes they needed – such as obtaining support or finding a job – than the office environment. However, aspects of the new Jobcentre Plus model, such as being greeted by a floor manager on arrival, appear to have contributed to improvements in satisfaction with Jobcentre Plus services.

**4.13** These results are difficult to interpret without further qualitative research. For the 2007 survey, the Department plans a qualitative follow up project and an action plan for activities to be undertaken in response to the findings.

The reorganisation has not significantly affected the proximity of offices to customers

**4.14** We compared the locations of offices now and in 2002 (Appendix 4) with the customer bases for the main Jobcentre Plus benefits. The new network was planned before geographical data about the customer base was available in this form, but there is no evidence that significant gaps in customer service have resulted. For instance, the proportion of customers more than 3 miles away from a Jobcentre Plus office has changed by only 0.5 per cent as a result of the reorganisation.

### 13 Different experiences of customer groups in Jobcentre Plus offices

	First Contact	Financial Assessor Meeting	Work Focused Interview
Jobseekers	78 per cent of survey respondents were satisfied with first contact, although Jobseekers were the group least likely to be ‘very satisfied’ (28 per cent). Qualitative research shows some prefer the old system as they could sort out all aspects of their claim in one visit to the Jobcentre.	81 per cent were satisfied with the service but this was the least likely group to be ‘very satisfied’ with the Financial Assessor meeting (37 per cent). Jobseekers were also most likely to have been told that receiving benefits was dependent on a successful Work Focused Interview (69 per cent).	71 per cent were satisfied with the service from their Personal Adviser (25 per cent ‘very satisfied’). The majority of customers felt it was the right time to meet a Personal Adviser and the right time to talk about work or training (53 per cent and 64 per cent respectively). Jobseekers were also most likely to find the interview helpful (79 per cent).
Lone Parents	83 per cent were satisfied with first contact services, with 37 per cent very satisfied. Lone Parents whose Work Focused Interview was postponed tended to be less satisfied (73 per cent).	Lone Parents were the most positive about their Financial Assessor meeting with 87 per cent satisfied of which 52 per cent were ‘very satisfied’. 57 per cent were informed a Work Focused Interview was compulsory to receive benefits.	Most likely to be ‘very satisfied’ with the Personal Adviser (31 per cent) and to have found the meeting ‘very helpful’ (28 per cent). A majority of Lone Parents felt their Work Focused Interview was not held at the most useful time and that it was not the right time to discuss work or training (53 per cent and 56 per cent respectively)
Health or disability benefit claimants	76 per cent were satisfied with first contact services with 31 per cent ‘very satisfied’. Respondents with a health condition or disability who were working (or off sick) at the time of their claim were more likely than those looking for work to have said they were very satisfied (35 per cent compared with 26 per cent of those looking for work).	81 per cent were satisfied with their meeting of which 41 per cent were ‘very satisfied’. Claimants whose Work Focused Interview was deferred were more likely to be ‘very satisfied’ than those who did not have a deferral (a gap of 9 per cent). 53 per cent were told that benefits were dependent on a Work Focused Interview (or an agreed deferral).	64 per cent were satisfied with the service and 68 per cent found it helpful. The majority of respondents did not think their meeting was at the most useful time or that it was the right time to discuss work and training (56 per cent and 61 per cent respectively).
Carers	79 per cent were satisfied with first contact services and carers were the most likely group to be ‘very satisfied’ (43 per cent of respondents). 80 per cent of carers already in work were satisfied with the services, compared to only 69 per cent of those looking for work.	83 per cent were satisfied of which 51 per cent were ‘very satisfied’. Least likely to have been informed that Work Focused Interviews were compulsory to receive benefits (46 per cent).	Least likely to be satisfied with the Work Focused Interview or to find it helpful (60 per cent in both cases). A majority did not feel the meeting was held at the most useful time (63 per cent) and a large majority that it was the wrong time to discuss work and training (71 per cent).

Source: National Audit Office analysis of research commissioned by the Department

**4.15** Offices are slightly less well positioned in relation to Incapacity Benefit customers, who at the time the roll-out was being planned, were expected to have less contact with Jobcentre Plus offices. Customers claiming the future Employment and Support Allowance will have more face-to-face contact, and Jobcentre Plus will need to consider accessibility for these customers in more detail as it develops the mechanisms to implement this benefit.

**4.16** The Agency has developed over 130 alternative centres, Flexible Service Delivery Centres from which to deliver services to customers, mainly in Scotland, Wales and the south west, who are not served by full Jobcentre Plus offices.

**4.17** There are some offices with very few customers and some catering for a very large customer base – from under 20 to 4,800 Jobseekers Allowance customers. The density of office provision is variable across the country, with the earliest districts to be rolled out having most offices in relation to customer numbers. Jobcentre Plus is consulting on plans to close some of these early offices which it now considers uneconomic.

### It is difficult to assess the impact of Jobcentre Plus on customer outcomes

**4.18** The Department has examined whether customers thought that their behaviour had changed following contact with Jobcentre Plus. It found that more than half of each customer group said that Jobcentre Plus advice had increased their understanding of benefits. But the majority of customers said that the advice had not made any difference to how hopeful or confident they felt, how motivated they were to find a job or to their level of skills. Lone parents and Jobseekers were most likely to be positive about the impact of the advice. Carers were the least likely group to say the advice they had been given had made a difference to them.

**4.19** The Department's research does not provide evidence on whether Jobcentre Plus led to more customers finding work. This would be very difficult to assess, for example because it is hard to evaluate how customers would have conducted their job search if they had not been through the Jobcentre Plus process and because it is hard to separate the impact of the roll-out of Jobcentre Plus from a number of other initiatives introduced at the same time. However, a feasibility study for the Department has identified how an evaluation of the economic impact of Jobcentre Plus might be undertaken.

## Flexibility of the Jobcentre Plus office network

**4.20** Jobcentre Plus operates within a challenging environment and the Agency is constantly adapting to change. Therefore, the network of rolled-out offices needs to be flexible to allow Jobcentre Plus to respond to new demands. The benefits the Agency estimates the roll-out will achieve depend on the network continuing to operate until 2015-16 (paragraph 2.28). Some of the likely key drivers of change include the introduction of new roles and services; changes in the employment market; and new legislation.

**4.21** Based on our site visits, interviews with staff and document reviews, this section makes some indicative observations about the flexibility and capacity of Jobcentre Plus to meet these external challenges.

### There is capacity to deal with changes to future services

**4.22** Jobcentre Plus may be well placed to facilitate the delivery of services from other Government organisations and agencies but extra support is likely to be required if there were any changes to future services provided by Jobcentre Plus.

**4.23** Because Jobcentre Plus has a network of offices in high streets stretching across Great Britain, and because of the recent investment in the design and make-up of the offices, they could be attractive for other public sector organisations to use in order to engage with the public. Feasibility trials are under way at several sites around the country, for example in Wallsend where the Jobcentre Plus office has trialled providing Revenue & Customs and the Local Authority with changes of circumstances information. The results of these trials will indicate whether the Jobcentre Plus offices might be flexible enough to cope with the provision of extra services.

**4.24** A number of the staff interviewed on our site visits told us that members of the public already come into offices to ask for help with non-Jobcentre Plus enquiries – on occasion on direction from other public sector organisations. Examples reported by staff included people looking to photocopy forms, enquiries about phone numbers and addresses and use of the free phones provided in Jobcentre Plus offices.

**4.25** If Jobcentre Plus makes the decision to take on the provision of extra services, there are likely to be a number of challenges. For instance, a greater range of queries would make the role of the floor manager as the first person to interact with customers even more important. They may require additional support, such as the issue of a computer terminal.

**4.26** All staff would need further training in order to deal with the new services being provided. If Jobcentre Plus is intended as a signposting organisation for a number of government services, this training may be broader but less in-depth than, for example the Financial Assessor training provided as part of the Jobcentre Plus roll-out.

**4.27** There may also be questions around the Jobcentre Plus brand. Customers could become confused if offices branded as Jobcentre Plus are used to provide non-benefits and job seeking services.

### Offices have been able to respond flexibly to cope with sudden changes to local employment

**4.28** Stakeholders told us that the Jobcentre Plus office network was not developed with excess capacity to accommodate a future significant rise in unemployment. The Rover case example, however, shows that Birmingham South West Jobcentre Plus was able to adapt well to a sudden change in the local employment

market (**Figure 14**). Successful collaborative working and additional resources were required to deliver this response.

### Capacity to adapt to changes may be influenced by legal requirements and local factors

**4.29** The development of the Employment and Support Allowance (part of the Welfare Reform Bill) is the primary legislative change that will affect the customers and services provided by Jobcentre Plus. Jobcentre Plus has assessed the potential impacts on the organisation to be:

- more mandatory customers;
- changing profile of customers;
- changes to the way waivers are applied; and
- changes to benefit advice provided.

Jobcentre Plus is working to assess the impact of these changes on customer volumes or its operating model.

**4.30** Fundamental to the success of the Employment and Support Allowance is the implementation of the Pathways to Work Initiative for which Jobcentre Plus is currently undertaking the tender process for provider support. In addition to this, Jobcentre Plus is in discussion with other government departments about future services that they may be able to provide and support.

## 14 Case example – Birmingham South West Jobcentre Plus and the closure of Rover

On Friday 15th April 2005, the MG Rover plant at Longbridge in the West Midlands closed, resulting in the redundancies of 5,270 employees. The local Jobcentre Plus office, Birmingham South West, which usually dealt with 70–100 customers a week, had to handle the benefit claims of the majority of these employees and provide support to find new employment. Benefit claims were processed and paid quickly, exceeding customer service standards, and former Rover workers were provided with an enhanced range of information and services such as extra interviews, workshops and financial advice.

To help manage demand, non-Rover customers were also either excused attendance for two weeks or their business was transferred to a local Jobcentre Plus. Still, in order to handle the sheer volume of former Rover employees and provide them with the enhanced services, Birmingham South West needed extra staff, including 160 from regions across Great Britain. In integrating these new staff, Birmingham South West was able to use its experience of hosting staff from other rolled-out offices as part of the transition to a Jobcentre Plus. It also hosted representatives from a range of partner organisations such as training providers.

Source: National Audit Office visit to Birmingham South West Jobcentre Plus

As a large Jobcentre Plus, housed in a purpose-built office, Birmingham South West had the capacity to adapt to the extra numbers of customers, staff and partners. Even so, making the service work took a great deal of planning and constant adaptation and flexibility. Birmingham South West reported that being able to house all elements of the process within one building and with one manager meant it was better able to quickly adapt to problems as they arose.

Birmingham South West felt it reaped the benefits of working in a national organisation able to call on resources from all over Great Britain. It also had backing and support from the Regional Office which took on responsibility for employer relations, for example.

For a full assessment of the support provided to former Rover employees by Jobcentre Plus, the Department for Work and Pensions, the Learning Skills Council and other organisations please see the National Audit Office report *The Closure of MG Rover*, HC 961, 2005-06.

**4.31** In terms of space, the PRIME contract has given the Agency sufficient contractual flexibility to reduce or increase the size of the estate. But the actual configuration of office space is influenced by local factors such as the availability of suitable premises and the position of districts in the roll-out programme. Larger offices, built in the early stages of the Jobcentre Plus roll-out, are likely to have greater capacity to provide extra services or to respond to changes in the local job market. Smaller offices, which are already struggling for space, may find this more difficult. This is sometimes compounded by the health and safety requirements around desk size, escape routes and lone working that means not all space in the offices can be utilised.

**4.32** Staff capacity is a separate issue. The Rover case example (Figure 14) suggests that extra resource is required to respond to changes in the number of customers dealt with or the services provided.

**4.33** In some areas, rather than looking to Jobcentre Plus offices to provide extra services, it may be more efficient to house Jobcentre Plus services in another office. Options could include Local Authority customer contact centres, Connexions, Children's Centres, Citizens Advice, Post Offices or even private sector organisations.

**4.34** Jobcentre Plus has already explored this route through its Flexible Service Delivery Centres which Jobcentre Plus has used to locate services in alternative sites during office closures. This is currently used as a stop-gap but could be considered as a longer-term solution in some areas.

# APPENDIX ONE

## Methodology

**1** We used a wide range of methods as part of our study. The main methods are detailed below.

### Review of project documentation and financial data

**2** We reviewed key project documentation held by the Jobcentre Plus Project Implementation Team including: the business case; internal and external reviews; progress reports and outcomes of meetings; performance assessment reports; and other project management related documentation such as handbooks and plans. This was used to assess how the programme was rolled out and managed.

We reviewed a range of Departmental data to analyse the financial and operational performance of the programme. This was focused on assessing the costs, benefits and timing of the roll-out. We examined:

- Site-level data on the roll-out schedule, planned and actual go-live dates (Figure 4).
- Financial budget and outturn data for the roll-out at aggregate, district and site level (Figure 5). Local-level data were limited as non-estates costs were not disaggregated; initial budget data were not available for 2002-03 sites; and final outturn costs were not yet available for 137 sites.
- The Department's estates database for data on estate size, running costs and disposal costs (Figures 6 to 8).
- The Department's annual updates of its business case for the roll-out. Figures 9 and 10 reproduce the Department's estimates, which we comment on in paragraphs 2.26 to 2.29.

**3** We also used available Departmental data to assess and model the financial impact of the different procurement methods that were employed during the course of roll-out. Specifically, we analysed the unit cost, defined as the cost per square metre, of acquiring and refurbishing offices under the conventional approach that was first utilised and under the partnering approach, which was adopted by the programme in 2003. Using this indicator we were able to forecast the overall budgetary implications of the two methods to assess their relative cost-effectiveness (paragraph 2.16). Because site-level data were incomplete as discussed above, we were only able to make estimates based on aggregate data, but examination of a sample of site data and a review during the project by the Department's internal audit corroborate our estimate of the procurement savings.

### Visits to Jobcentre Plus offices

**4** The study team visited 15 Jobcentre Plus offices in the following locations: Bacup; Birmingham South West; Bromley; Castlemilk; Daventry; Dinnington; Gateshead; Hertford; Llanelli; London Bridge; St Marylebone; Staines; Streatham; Totnes; and Tunbridge Wells.

**5** We conducted semi-structured interviews with a wide range of staff (a mix of ex-Benefits Agency and ex-Employment Service staff) that included local office managers, Personal Advisers, customer service managers and advisers, financial assessors, local implementation managers, team leaders and floor managers.

## Department for Work and Pensions and Jobcentre Plus management consultation

**6** We interviewed central Jobcentre Plus and Department for Work and Pensions officials to gain an understanding of their involvement and experience during the roll-out as well as issues and challenges faced and the strategic direction of Jobcentre Plus.

**7** Our main contacts in the Department were the Jobcentre Plus Project Implementation Team and Business Strategy Directorate and the Department for Work and Pensions Estates Management team.

## Third party consultation

**8** We consulted private sector organisations who were involved in the roll-out of the Jobcentre Plus network. These included: Bovis Lendlease (project management and procurement specialists); Lewis and Hickey (design architects); Land Securities Trillium (maintenance contractors and owners of the Department for Work and Pensions estate); and Regional Works Contractors.

**9** We also consulted Public & Commercial Services (PCS) union, Citizens Advice and the Centre for Economic and Social Inclusion. Their views were important in helping us to form a view on the impact of the roll-out on staff as well as customers.

## Benchmarking

**10** We benchmarked the project management and procurement strategy used for roll-out of Jobcentre Plus against current good practice principles outlined in previous National Audit Office reports and toolkits, Office of Government Commerce better practice and current good practice in government.

**11** We also commissioned consultants (Accenture) to benchmark against private sector models – particularly the retail banking industry due to similarities in the roll-out of networks of branches with similar customer services functions to Jobcentre Plus.

**12** Appendix Two provides a checklist of the key elements of good practice that were used during the study.

## GIS mapping

**13** We obtained details of the locations of Jobcentre Plus offices serving the public before the roll-out. Using these, we worked with the Department's Geographic Information Systems team to measure the numbers of Jobcentre Plus customers living within a range of distances from a Jobcentre Plus office. We examined customers claiming the key Jobcentre Plus benefits, Jobseekers Allowance, Incapacity Benefit and Income Support. We also used Geographic Information Systems to compare office locations before and after the roll-out (Appendix 4).

## Review of existing literature and independent evaluations

**14** We commissioned consultants Fresh Minds to undertake a review of existing evidence, including an assessment of its quality, on customers' experiences of the new Jobcentre Plus offices. The Department for Work and Pensions has commissioned 31 evaluation reports covering the impact first of pilots and then of the roll-out of Jobcentre Plus on customers, staff and employers. The Department also conducts regular customer satisfaction surveys that were used for the review. We drew conclusions from this research on the basis of our and our consultants' assessment of its quality.

## Previous National Audit Office publications

**15** This report takes into account previous National Audit Office value for money reports which examine Jobcentre Plus. These were reports on: *Jobcentre Plus: delivering effective services through Personal Advisers* (HC 24, 2006–07), *Gaining and Retaining a Job: The Department for Work and Pensions' Support for Disabled People* (HC 455, 2005–06), *Department for Work and Pensions: Delivering Effective Services through Contact Centres* (HC 941, 2005–06), *Accommodation Services for the Department for Work and Pensions: Transfer of Property to the Private Sector under the Expansion of the PRIME Contract* (HC 181, 2004–05), *Welfare to Work: Tackling the Barriers to the Employment of Older People* (HC 1026, 2003–04) and *The Closure of MG Rover* (HC 961, 2005–06).

# APPENDIX TWO

## Project delivery and procurement good practice criteria

As part of our examination of the roll-out of Jobcentre Plus we used the following criteria to benchmark the project against good practice. The checklist was compiled using various sources and expertise from our consultant, Accenture.<sup>15</sup>

### Governance

- Is there clear senior management ownership and leadership for the project?
- Has a Senior Responsible Officer been identified?
  - Do they have appropriate skills?
  - Do they give visibility to the strength of senior management support for the project?
- Are roles and responsibilities clear?
- Are there appropriate committees/boards in place?
  - Do they monitor budgets, risks, timeliness, and resources?
- Does the project team have the appropriate skills to deliver?
  - Is there access to specialist expertise when required?
- Are there appropriate reporting arrangements in place?
- Have risks been identified?
  - Is there a risk management plan (or equivalent)?
  - Are risks appropriately monitored and reviewed?

### Planning

- Was there a plan for the roll-out of the Jobcentre Plus network?
- What planning activities and assumptions were used to determine the number and nature of the network of offices?
- Was the time, cost and quality realistic for the roll out?
- Was the project delivered as per the original plan?

### Stakeholder management

- Was a stakeholder analysis undertaken?
- Was there communication with stakeholders, particularly on key issues/concerns raised?
- Were steps taken to address concerns raised by stakeholders throughout the process?

### Resources

- Was the roll-out appropriately resourced (including skills and experience)?
- Are there arrangements in place to transfer knowledge back to the Department when outside expertise has been used?
- Were training needs of staff considered?
- Was a change management strategy put in place?

<sup>15</sup> The following are key documents and websites that were used to form the criteria: National Audit Office *A Framework for evaluating the implementation of Private Finance Initiative projects: Volume 1*, 15 May 2006; National Audit Office *A Framework for evaluating the implementation of Private Finance Initiative projects: Volume 2*, 15 May 2006; National Audit Office *Contracting Strategies Tool – a structured approach to developing defence procurement contracting strategies*; National Audit Office *Change Management: A Toolkit*; National Audit Office *Driving Successful Delivery of Major Defence Projects: Effective Project Control is a Key Factor in Successful Projects*, HC 30, 2005-06; Office of Government Commerce, *Supply Chain Management in public sector procurement: a guide* June 2006; Office of Government Commerce *Best Practice Managing Partnering Relationships*, Office of Government Commerce *Best Practice Forming partnering relationships with the private sector in an uncertain world* November 2002; Office of Government Commerce website [http://www.ogc.gov.uk/programmes\\_and\\_projects.asp](http://www.ogc.gov.uk/programmes_and_projects.asp).

## Monitoring and review

- Is there a process for monitoring and review of progress of the project (including expenditure)?
- Are reports and data appropriate for the project?
- Were benefits identified, monitored and well managed?

## Procurement

- Was consideration given to the procurement requirements?
- What procurement approach was taken by the project?
  - Was there a tender process?
  - Who was responsible for the procurement approach and activities?
  - Have required procurement standards been complied with?
- How were contracts with partners/suppliers structured and awarded?
  - What supplier relationship management approaches and activities were used?
- How have supplier/partner contracts been structured?
- Do contracts provide for competitive pressures on the supplier?
  - Do the contracts enforce contractor accountability?
  - Do the contracts cover termination and handover arrangements?
  - Were suppliers/partners provided with incentives for delivering on time?
- How are the contracts monitored and performance levels managed?
  - Are costs consistently and effectively monitored?
  - Are quality levels of services/goods provided monitored and assessed?

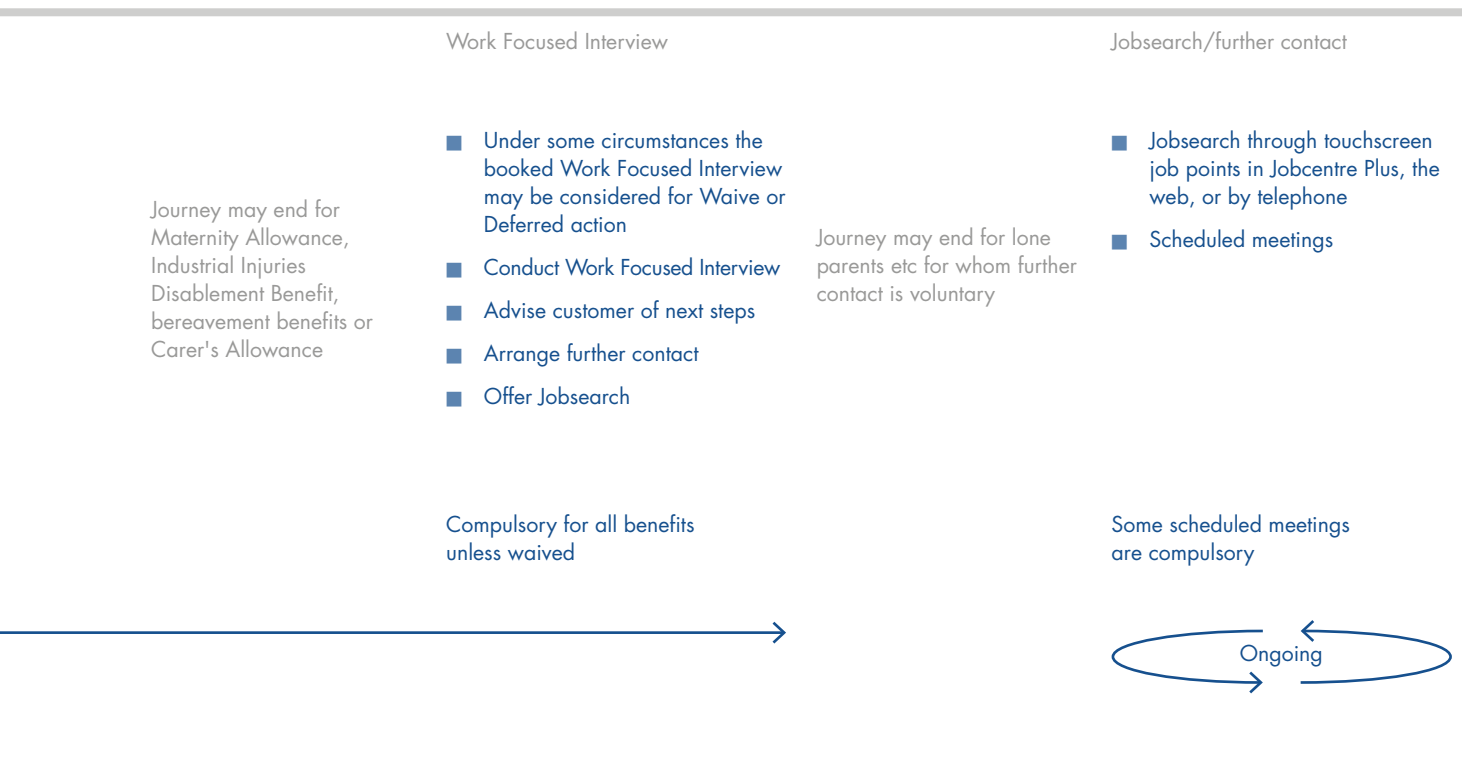


# APPENDIX THREE

## Jobcentre Plus customer journey

<b>Process</b>	Customer phones Contact Centre	First Contact Officer gathers basic information about the claimant	Meeting with Financial Assessor to talk about benefit claim and other financial issues
<b>Details</b>	<ul style="list-style-type: none"> <li>■ Call from Jobcentre Plus or from home or mobile phone</li> <li>■ Customer can also request a Clerical Claim Form to be issued rather than phone gather</li> <li>■ They can also go into a Jobcentre Plus and request a Face to Face Gather with the F2F First Contact Officer</li> </ul>	<ul style="list-style-type: none"> <li>■ Gathers employment history</li> <li>■ Offers Jobsearch</li> <li>■ Arranges a Work Focused Interview (This can be waived or deferred under some circumstances)</li> <li>■ Explains next steps</li> <li>■ Establishes appropriate benefit</li> <li>■ Issues claim pack</li> </ul>	<ul style="list-style-type: none"> <li>■ Identity check</li> <li>■ Check Customer Statement or claim form</li> <li>■ Advise customer of any further evidence or verification required</li> <li>■ Transfer information to Benefit Delivery Centre to enable case to be processed</li> </ul>
<b>Rules</b>	Compulsory for all benefit seekers	Compulsory for all benefits, however customer may use a Clerical Claim Form	Compulsory for anyone attending initial Work Focused Interview
<b>Timescales</b>	Same day	→	
		Typically 3–4 days after first contact	

*Source: Fresh Minds, based on review of Department for Work and Pensions documents*



# APPENDIX FOUR

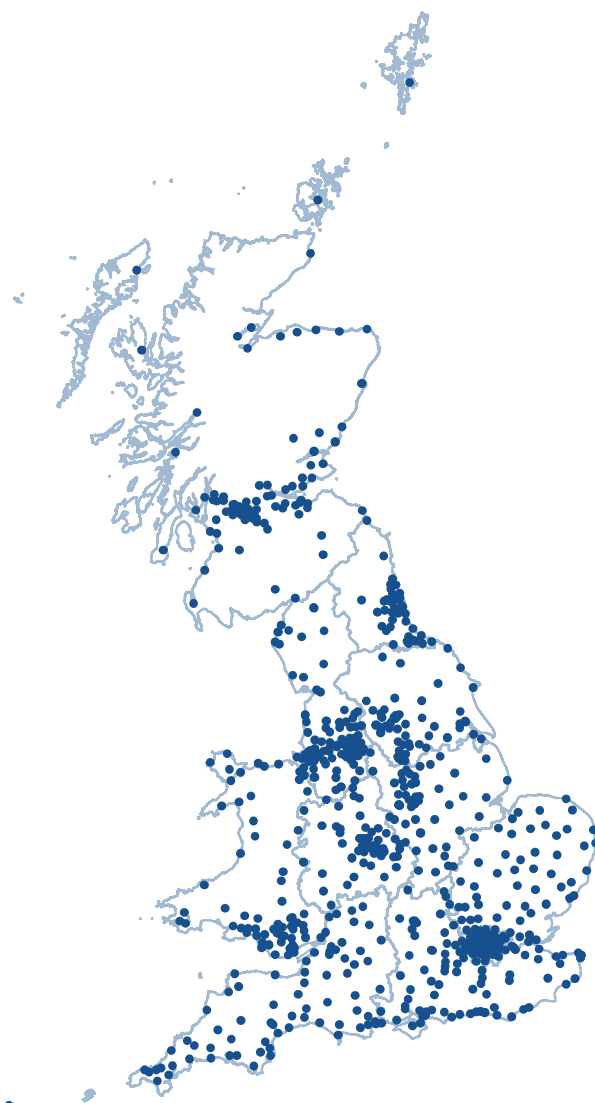
## Jobcentre Plus office locations

Office locations in 2002



Source: Department for Work and Pensions

Office locations in 2007



Source: Department for Work and Pensions

# GLOSSARY

Customer Management System	Jobcentre Plus's information gathering process for new and repeat claims for Income Support, Jobseeker's Allowance, Incapacity Benefit and any associated claims to Housing Benefit and Council Tax Benefit.
District Architect	Architects appointed by the Department for Work and Pensions to design each Jobcentre Plus office, involved up to stage E3 of the Gateway Process.
District Programme Manager	Estates professionals responsible for coordinating the works within a District and act as a single point of contact for the core project management team.
Department for Work and Pensions Estates	Via the PRIME contract, the Department for Work and Pensions Estates has overall responsibility for the provision of fully serviced accommodation for most of the Department for Work and Pensions including Jobcentre Plus, The Pension Service, Child Support Agency and central services. Also ensures that full value for money is being obtained from the contract.
Lewis & Hickey Ltd	Concept and design architect appointed following the roll-out of the Pathfinder offices. Provided guidance and validated consistency of the Jobcentre Plus offices during roll-out.
Official Journal of the European Union (OJEU)	OJEU is a publication containing details of all public sector contracts across the European Union's Member States that are valued above a certain threshold.
Private Sector Resource Initiative for the Management of the Estate (PRIME) contract	Contract dated 1 April 1998 entered into between the Department for Work and Pensions and Land Securities Trillium in relation to the Prime Estate. Contract extended in December 2003 to include the former Employment Service estate.
Private Finance Initiative (PFI)	A policy introduced by the government in 1992 to harness private sector management and expertise in the delivery of public services, while reducing the impact of public borrowing.
Regional Works Contractor	Contractors appointed by the Department for Work and Pensions to manage and deliver the network of Jobcentre Plus offices within a specified region.
PRIME Estate	Those sites owned and managed by Land Securities Trillium under the PRIME contract.