DEPARTMENT FOR WORK AND PENSIONS
Communicating with customers

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National Audit Office

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SUMMARY

1　Exchanges of information between the Department for Work and Pensions (the Department) and the public lie at the heart of the UK social security system, and they account for a large part of the administrative operations and consequent running costs involved. The increase in the number of applications for benefits, which has been particularly rapid for working age people in recent months, makes the efficiency and effectiveness of these processes increasingly important. The Department and its agencies, Jobcentre Plus (for working age people) and the Pension, Disability and Carers Service (for retired people and disabled children, adults and carers) are together responsible for managing applications for

12 major State benefits. There are a further 17 linked benefits that do not have a distinct application process of their own.

2　The Committee of Public Accounts last reported on government forms in 2004, and recommended changes that Departments should make to reduce the burden their forms impose on citizens: keeping forms as short as possible and redesigning them where problems become evident; providing concise guidance notes; ensuring that the requirements of customers with specific needs are met; and making a commitment to the Government's then 2005 deadline for the online provision of all forms.[1]

1　*Difficult Forms: How government departments interact with citizens*, Committee of Public Accounts' 26th Report of Session 2003-04, HC 255, 29 June 2004.

3   The Committee of Public Accounts reported on the Department's use of leaflets in 2007, and highlighted the large number of separate leaflets the Department maintained, many of which could not be supplied by the Department's offices. Some of the leaflets had a Plain English Campaign 'Crystal Mark', but all required a reading age higher than the national average. The Department has made substantial progress since then in reviewing its leaflets, has cut the number of pre-printed leaflets from 208 at a cost of £10.3 million in April 2005 to 53 at a cost of £1.7 million in December 2008, and has put in place a new contract for printing and distribution.[2] The Department has implemented a Content Management System to store information used in all its leaflets, and is strengthening internal governance and ownership of content published through all channels, to reduce the risk of incorrect information being given to customers.

4   The Department distributes leaflets through its offices, 120 local government offices and through non-government outlets such as citizens' advice bureaux. The Department has also moved to a much more phone-based marketing of leaflets in which customers are encouraged to ring a contact centre and talk to staff, who can then arrange for them to be sent leaflets in the mail that are up-to-date and are often printed on demand from electronic templates.

5   This report looks at the information exchanges between citizens and the Department that underpin applications for social security benefits and assesses:

- how easy it is for the Department's customers to find out how and where to claim benefits and what information they will be required to submit;

- how straightforward it is for citizens to submit information to the Department by their preferred channel (face-to-face, telephone, paper forms or online);

- what quality of information provision the Department makes both during and after application; and

- whether the Department makes maximum use of the information provided by benefit applications to make subsequent contacts easier for customers.

We do not consider in this study the efficiency or accuracy of the Department's decision-making, the detailed operation of call centres and Jobcentre Plus offices, the adequacy of its computer systems or other aspects not related to information exchange.

6   We looked in detail at Jobseeker's Allowance, the key benefit for working age people, and two benefits for people over 60: Pension Credit, which guarantees a minimum income for people over 60; and Attendance Allowance, which is a non means tested benefit for older people with care needs due to physical or mental disabilities. In total, the three benefits examined in this report entail processing nearly 3.7 million new applications each year, are paid to 5.5 million ongoing customers, and account for £13.7 billion in annual payments. Applicants for Jobseeker's Allowance will all have a face-to-face interview where their information is verified and they are offered advice on looking for work. While the majority of applications for Pension Credit and Attendance Allowance are dealt with by telephone or post, in 2008 167,048 applications for Pension Credit and 108,002 applications for Attendance Allowance were completed face-to-face in customers' homes with the help of the Local Service.

Key findings

7   Since the National Audit Office last reported on the Department's use of forms and leaflets, much progress has been made in rationalising the Department's leaflets, and in response to our previous recommendations it has taken action to make its forms easier to use. The Department has significantly changed the way in which it provides information in recent years, with a reducing emphasis on issuing leaflets and a significant growth in telephone enquiries and in online information provision about benefits on the internet. These are changes which help the Department to provide a more responsive service to customers. The Department is now undertaking a major change programme, part of which, the Self-Service project, aims to increase the amount customers who have access to the internet can do for themselves online if appropriate for them. The Department has a related Service Delivery strategy, which points the way to shifting more transactions online, and improving other customer contacts. These changes are all in line with the conclusions of the 2006 review of service transformation carried out by Sir David Varney,[3] as well as recommendations previously made by both the National Audit Office and the Committee of Public Accounts. Many customers use the Department's websites and Directgov to look for information, but the number of electronic contacts, such as enquiries by email, is low. The Department's contacts research notes that: 'despite a 111 per cent increase in the use of online channels from 2005-2008, the overall level of e-contacts remains tiny'.[4]

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2   *Department for Work and Pensions: Using leaflets to communicate with the public about services and entitlements*, Committee of Public Accounts' Seventh Report of Session 2006-07, HC 133, 23 January 2007. The figures for the number of leaflets exclude those issued by the Child Maintenance and Enforcement Commission (formerly the Child Support Agency).
3   *Service transformation: A better service for citizens and businesses, a better deal for the taxpayer*, HM Treasury, December 2006.
4   Department for Work and Pensions Customer Contact Survey - Executive Team Overview, April 2008, p18.

The design of forms

8   In general, since 2002 the Department has shortened its forms, made them easier to read and made the sequence of questions more logical for the customer. Many of the benefits the Department manages are complex, however, and our census of the Department's main forms found that some of them still have lengthy and complicated claim forms. There are also different versions of some of the forms still in circulation, and citizens using paper forms still have to grapple with very large, complex and comprehensive guidance notes. The Department is now working with the Plain Language Commission, and will ensure that all new revisions of its forms reach the standards for accreditation used by its new supplier. The current claim packs for Attendance Allowance and Jobseeker's Allowance carry the Plain English Campaign's 'Crystal Mark' award for clarity of language. Charities working with benefit applicants told us that simplified getting started guides showing step by step 'how to complete this form' information were not yet available for most forms and would go a long way to helping people understand the information they needed to provide. As a result of customer and representative feedback, consistent with the recommendation made by the Committee for Public Accounts in their 2004 report that guidance notes should be designed to help people complete forms quickly and with minimum effort, the Department has introduced a tear off page to the forms for Attendance Allowance and adult Disability Living Allowance. This page tells the customer where to get help; what information they need before they start to fill in the form; how to fill in the form; and what happens next. The Department has also changed its approach to communicating with the public, heavily promoting the use of phone calls for both enquiries about and applications for State benefits so as to reduce dependence on paper forms and leaflets.

Keeping a joined-up view of the whole customer experience

9   The central Communications Directorate is not involved to the same extent in all communications with people applying for benefits. This lack of consistency means that the Communications Directorate is missing opportunities for greater insight into the customer experience and the agencies are not benefiting from the Directorate's expertise and advice to the extent that they could. The Department's central Communications Directorate contributes specialist communications and marketing skills, and manages centrally the key risk of inaccurate information being given to customers. It works with the agencies in developing leaflets, design of forms, web content and marketing campaigns. However, it has much less advisory input to customer letters, changes to contact centre scripts, and training staff to respond to queries face-to-face or with phone enquiries.

10   The Department has made progress in developing procedures to link benefits and reduce the administration burden on the customer. Customers can apply for State Pension, Pension Credit, Council Tax Benefit and Housing Benefit all in one phone call. Payments for these benefits are also rolled up into a consolidated single payment, which is convenient for the customer and reduces transaction costs for the Department. To improve the quality of information it provides, with effect from April 2009 the Department is rolling out a new customer statement (the Pension Credit Award Notice and Statement of Details), which it designed with input from pensioner customers and third party organisations, and which will show a financial breakdown across a customer's benefits. Jobcentre Plus fosters the automatic 'passporting' of working age customers applying for Jobseeker's Allowance on to other benefits (such as Housing Benefit and Council Tax Benefit). If, however, their Jobseeker's Allowance is subsequently withdrawn, because the customer has failed to attend interviews or job search reviews and has not informed the Agency of their circumstances, it is likely that the local authority will suspend Housing Benefit and Council Tax Benefit payments pending investigation. Low income customers may, nonetheless, still be eligible for these other benefits. Jobcentre Plus writes to customers when their Jobseekers' Allowance is stopped advising them to get in touch with their local authority as soon as possible, but it does not warn them that they are at risk of losing their other benefits if they do not do so.

11   Job Point kiosks in Jobcentre Plus offices give customers access to the job vacancies listed on the Jobcentre Plus website, although they do not allow the same facilities for online job searches or making online job applications as internet access. Jobcentre Plus local office staff have the opportunity to induct customers into their job-seeking responsibilities and monitor and assist customers' job-seeking activities. Most job advertising, most job searches and many full job applications nationwide now take place online. Applications for jobs for some major employers such as the National Health Service must now be made online. The current generation of Job Point kiosks allow customers to access Jobcentre Plus' large database of vacancies, which gives access to the same vacancies as are available through the Jobcentre Plus website and Directgov, but do not allow them to access jobs on the internet or make online applications this way. Facilities for less restricted access to the internet are made available by other providers, in places such as public libraries, UK Online centres and community centres. The Department is considering options to replace the kiosks.

Using the internet to find out about benefits

12   Across all benefits, broadly five sixths of users of official websites were likely to find correct answers to typical queries about their potential eligibility for benefit. The Department has recently taken over responsibility for running www.direct.gov.uk, one of two main supersites (the other being NHS Choices) that the government intends should progressively take over all citizen-facing information provision online.[5] The Department has now consolidated content from the older websites for Jobcentre Plus, the Pension, Disability and Carers Service and the Department headquarters onto the Directgov website, although there is still work to do to make material from the different websites consistent with Directgov's standards. While the Jobcentre Plus website will remain open until 2010, the Department is in the process of adopting the Directgov pages and directing customers to use these in the first instance. In the transition period there is a mix of different pages, and our experiments show that finding information in some important areas can be difficult.

13   Users participating in our experiments found that, when using the Directgov's search engine to answer questions such as what unemployment benefit they were entitled to, their searches generated some 500 results, and the most useful pages were not the first listed. Users commented that this presentation was confusing and frustrating. Directgov recognises the need to improve the search engine and monitors the most frequently used search terms. Since we carried out our fieldwork, Directgov has made changes to the search engine as part of its ongoing review of commonly used search terms.

Providing information in support of a benefit application

14   At present applications for Jobseeker's Allowance can be set in motion online, and all online applicants will then be called back two or three days later to provide more information before they have a face-to-face interview at a Jobcentre Plus office. The Department has recently accelerated plans to allow customers to complete a full online application without a separate telephone call. The law requires all applicants for working age benefits to be seen in person at Jobcentre Plus local offices, which by establishing the claimant's identity face-to-face helps overcome a common obstacle to implementing secure online applications. The Department now plans to implement full online applications as an alternative to the paper form or telephone interview, initially for contributory Jobseeker's Allowance, from summer 2009 rather than February 2010 as originally planned. For those who apply by telephone, Jobcentre Plus estimates that the average length of a call is 29 minutes. Calls are free from landlines, and the Department offers to call back customers using mobile telephones. If they do not ask to be called back a customer using a pay-as-you-go mobile phone could pay up to £11.60 for a typical application.

15   At present it is possible to claim Attendance Allowance online, but not Pension Credit. At the moment, the primary route for Pension Credit applications is by telephone to contact centres. Call centre staff can complete most of the steps in the application process in a single phone call averaging 19 minutes, and are also able to help customers apply for State Pension, Housing Benefit and Council Tax Benefit at the same time. The Department offers a freephone telephone number to claim Pension Credit. Most customers will not have to pay for these calls, but 6.8 per cent of the total calls are made from mobile telephones and, for these people, calls could cost up to 40 pence per minute, equivalent to £7.60 for an average call. The Department therefore offers a free call back service so that vulnerable customers who might not otherwise be able to afford the cost of contacting the Department are supported.

16   Around a fifth of applications for Pension Credit can be approved immediately without the need to submit further details. Four fifths of customers need to provide additional documentation to verify that they qualify for the benefit. We found that system-generated letters requesting additional information can be overly long and poorly laid out. For example, a simple letter asking for three additional pieces of information is 16 sides long and the signature box, confusingly, appears on page six of the letter. This means that, for some customers, the way in which the Department asks for information results in confusion and delay. The Department has made amendments to the system generated letters as part as an ongoing review, to address additional problems it had already identified with placement of the 'what to do next' section, clarity of requests for additional information, and customer misunderstanding of instructions for how to return the form. It started to issue revised letters with effect from 26 January 2009 after we had completed our fieldwork. The issues we identified relating to the length of the letters and the placing of the signature box have still to be addressed.

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5   The Comptroller and Auditor General reported on this issue in his report *Government on the internet: progress in delivering information and services online*, HC 529 Session 2006-07, July 2007.

17   Decision-makers process claims for Attendance Allowance using paper forms and enter few details on the computer system, which means officials have access only to minimal case details in the event of telephone queries. Very few details of applications are computerised. A small number of application forms are submitted electronically, but all of them are printed out and limited details keyed into the Department's computer systems as if they were paper applications. Staff handling telephone queries have access to the computer system, but without sight of the original paper forms will be aware only of limited details of the case.

18   Elderly people can be reluctant to send valuable documents to the Department through the post, but awareness of the alternative local verification service is low. There is a network of 400 local charity and public sector offices willing to check documents free of charge, but it is not the Pension, Disability and Carers Service's policy to refer customers to these offices when they telephone to make a claim so as to avoid overburdening what is an essentially voluntary service. For Pension Credit and Attendance Allowance, visitors from the Local Service provide a valuable service both for vulnerable people needing help with their applications and for customers whose relatively complex financial affairs or self-employment require a home visit. Information collected by visitors on paper forms subsequently has to be captured again by keying into the Department's computer systems. As a way of streamlining the process the Department is piloting plans for details to be phoned in during the visit.

Informing vulnerable people of the benefits which could help them

19   Attendance Allowance is not universally understood, which may mean it is not reaching some of the people who need it. Take-up of Attendance Allowance is lower than for other benefits, last estimated in 2003 by the Commission for Social Care Inspection at around 40-60 per cent of those eligible. The Department does not have an accurate measure of take-up so has not set a target for what the take-up rate should be, or used specific communications campaigns to actively drive take-up. The Department recently commissioned independent research into issues affecting take-up of Disability Living Allowance, and has now established the feasibility of extending this work to cover Attendance Allowance. Other steps it has taken to ensure the most vulnerable audiences are aware of the benefit include revisions to the main leaflet in consultation with

representative groups. Local Service representatives who visit customers in the target audience check eligibility for all the benefits a customer may be entitled to, including Attendance Allowance. The number of claims for Attendance Allowance taken by the Local Service increased from 72,000 in 2005-06 to 108,000 in 2007-08. However, charities and non-governmental organisations representing older people believe that the benefit is not well understood by citizens, partly because of its misleading name. Our focus groups found that the name is widely misunderstood by older people as requiring them to attend an old people's centre. In our experiments, we found that 42 per cent of people were unable to find out from official websites what the eligibility criteria for Attendance Allowance are, and it took those users who found them a long time to do so.

Conclusion on value for money

20   The Department has improved the efficiency of its communications with customers by reducing reliance on paper communications such as leaflets, increasing telephone contacts and online information provision and, for those who need more help, by providing face-to-face support through the Local Service visits to customers. These changes in approach have enabled the Department to reduce or eliminate unnecessary communications. Further efficiency gains will be possible from increasing online provision, particularly the facility to make online applications. The investment in new systems needed to support such provision fully is expected to take a number of years.

21   Since the Committee of Public Accounts last reported on government forms, the Department has made progress in making its forms shorter and easier to read, and promoting telephone enquiry services has reduced the reliance on paper forms for many customers. Linking some benefits so they can all be claimed in one telephone call has also, for some customers, enhanced the effectiveness of the Department's communications. For those who rely on paper forms, however, some forms are still lengthy, and accompanied by long and over complex guidance notes. The effectiveness of communications is also hampered by system-generated letters which are long, complex and difficult for customers to understand. It can be challenging for customers to find answers to some of their queries using the Directgov website, because there is a mix of different pages as content is transferred from other websites, and because the internal search engine needs further ongoing improvement.

22 The Department has already realised substantial cost savings by reducing the number of pre-printed leaflets by almost three quarters, and by putting in place a new contract for printing and distribution. For other communications activities the Department cannot currently identify the full cost of managing communications for specific benefits or communication channels. Cost efficiencies from online provision have also still to be fully realised. For example, though forms can be downloaded from the internet, it is not yet possible to apply for most benefits online. Lengthy engagement of staff and customer time is required in handling the claim by telephone or face-to-face.

Recommendations

23 Our recommendations are focused on the case study benefits we looked at in detail for this study – Jobseeker's Allowance, Pension Credit and Attendance Allowance – but the Department should consider whether the principles highlighted here have wider application to other benefits.

a **Much progress has been made in rationalising the Department's leaflets, but many forms are still long and complex, and the majority lack simple getting started guides.** As the application process for each benefit is increasingly made available online, and as the Department expands take-up of the online route, it should review the need for the paper form and supplementary printed guidance. It also needs to ask for the required information as simply as possible, and in the same way as the online process. Consistency is needed both in terms of the supporting guidance and information, and in the structure and sequencing of questions, so as to direct applicants only to the questions they need to answer. For many benefits, paper forms are likely to remain the main means of communication for many years, and the Department should review these forms by considering what questions are irrelevant for the majority of claimants, and separate these questions into supplementary sub-forms issued only where individual's circumstances require it. This model has already been adopted for Pension Credit paper forms, and is used by HM Revenue and Customs for Income Tax returns. Customers still need simple 'how to get started' guides to completing many forms, and better highlighted internet or phone-based help processes on points where they are unsure what to do.

b **The Department does not currently use the Communications Directorate to advise on all stages of information exchange for all benefits.** As a result, it is missing opportunities to achieve a complete view of the customer experience and is not making the best use of its corporate knowledge to mitigate the risk of inadequate or inaccurate advice being given to customers. While retaining operational responsibility within the Pension, Disability and Carers Service and Jobcentre Plus, the Department should strengthen the Communications Directorate's formal advisory role. The Directorate should oversee the consistent application of standards; and the consistency, accuracy and usability of forms, guidance notes, pro-forma letters, and contact centre scripts. By thus engaging the specialist skills, expertise and knowledge of the central Communications Directorate, as well as the Pension, Disability and Carers Service and Jobcentre Plus, the Department should be able to join up information exchange from start to finish of a customer's contact with the Department.

c **The Department has not yet realised the substantial processing efficiencies and customer service improvements that could be realised by exchanging information with customers online.** For Jobseeker's Allowance, once the system is operational and has been tested to ensure it is sufficiently robust to handle potential demand, the Department should market vigorously the facility to submit full online applications currently planned for summer 2009, seeking at least to meet its own assessment that a rate of around 40 per cent online applications should be achievable by 2011. In evaluating progress in increasing take-up of online services, the Department should consider whether a shorter time-horizon is achievable for the full Self-Service project for information exchange, currently due for completion in 2014, and set targets in the interim for incremental take-up of online services for other benefits.

d **The Directgov website is becoming the primary online source of information about benefits, but our testing found it difficult to use in some areas.** As the volume of materials on Directgov grows rapidly the internal search engine needs further improvement, which has already started in response to the recommendations previously made by the Committee of Public Accounts. As use of the Directgov site increases, the Department will need to keep under review the way information about benefits is presented so that it meets both its own needs and those of its customers.

e   **System-generated letters sent to older customers requesting additional information in support of Pension Credit applications are long and confusing.** The Department has introduced some amendments to these pro forma letters in January 2009 under an initiative called 'Transforming Letters'. It should remain a priority to review what further changes are necessary in the light of our review, for example by signposting the signature box more clearly and reducing the overall length of the letter. The Department should examine system generated letters for other benefits to test whether similar improvements can also be made elsewhere.

f   **Four fifths of applicants for Pension Credit are asked to mail valuable original documents to the Department, which can introduce delays and may discourage some elderly people from applying.** There is a network of local charity and public sector offices willing to check documents but customer awareness of this service is low. The Department should investigate the extent of demand for this service, and whether investing in this network to increase capacity would offer value for money. Depending on the outcome of this research, consequential changes would be needed to telephone call centre scripts to ensure vulnerable customers in need of this service are made aware that there is an alternative network of local offices able to validate documents in person.

g   **Attendance Allowance is not well understood, which has contributed to its not being claimed by all those eligible.** The Department plans to carry out further research on awareness of Attendance Allowance, which it should also use to identify what problems customers have in understanding it, including whether the name of the benefit is a source of confusion. It should then test solutions to make the benefit more intuitive and comprehensible. The Department also needs to clarify the guidance explaining the eligibility rules, and should use analytical information from Attendance Allowance applications, combined with its research on take-up rates, to test awareness of the benefit among vulnerable customers.

PART ONE

Changes and challenges in information exchange across the Department

1.1 Exchanges of information between the Department for Work and Pensions and the public – by telephone, face-to-face, online or in writing – lie at the heart of the UK social security system. The increasing number of applications for benefits, particularly by working-age people, makes the efficiency and effectiveness of these processes increasingly important. Improving the quality of information exchange has the potential to improve the quality of customer service, and also generate efficiencies and corresponding cost savings for the Department.

1.2 The Department delivers benefits through two agencies. Jobcentre Plus supports people of working age from welfare into work. The Pension, Disability and Carers Service operates through the Pension Service, which administers State support for retired people, and the Disability and Carers Service, which supports disabled people and their carers, whether or not they work. The Department and its agencies are currently responsible for the application processes of 12 State benefits. There are a further 17 linked benefits that do not have an application process of their own.

1.3 **Figure 1 overleaf** shows how the Department's approach to these three tasks for many decades up to 1999 focused primarily on paper forms and face-to-face contacts. In the last nine years, the Comptroller and Auditor General has reported on the Department's use of both forms and leaflets to support benefit claims. Over the same period, the Department has significantly changed the way it provides and receives information, putting telephone calls at the heart of the application process for benefits both for working age and older people, and increasingly moving information about benefits on to the internet. The Department is unable to calculate the percentage of applications that it receives online, but it is very low. The Department has plans to increase e-applications in the future.

1.4 The development of an efficient and effective process for exchanging information with the public is not simple. Working within the legislative framework, the Department must keep in balance the three primary, and inter-related, goals shown in **Figure 2 overleaf**. The Department is responsible for ensuring that benefits to the value of some £130 billion a year are paid correctly, and that fraud and error is kept to a minimum. Yet the Department also has challenging targets to reduce its running costs and make efficiency savings of, at the time of our study, 5.6 per cent in real terms over the period 2008-2011, equivalent to net cash savings of £1.2 billion.[6] Developments are also constrained by its existing processes and the Department's 150 existing IT systems. The Department's work in this area is impacted by the prevailing economic environment, which has resulted in sharply increasing levels of unemployment. The number of new applications per week for Jobseeker's Allowance has grown from 60,638 in mid-January 2008 to 105,450 in mid-January 2009.

The Department's approach to communications

1.5 Effective communications play a large part in influencing the quality of information exchange between the Department and the customer. Like other large modern organisations the Department recognises that, by involving professional staff, it can improve the customer experience, encourage customers to use the most efficient or appropriate channels, and contribute to making processes more efficient. For example, communicating information requirements clearly should minimise the number of times the Department has to ask customers to provide additional information.

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6   *2007 CSR Value for Money Delivery Agreement,* Department for Work and Pensions. See also 2007 pre budget report and comprehensive spending review, Cm 7227 October 2007.

1 The evolution of approaches to information exchange in the Department for Work and Pensions

Key periods	Disseminating information about benefits to potential customers	Applying for benefits	Contacts with customers
Legacy approach before 1999	■ Paper leaflets ■ Face-to-face explanations in local offices ■ Media campaigns and advertising	■ Mailed in paper forms ■ Paper forms completed face-to-face in local offices	■ Paper letters ■ Face-to-face discussions
Major changes already made from 2000 to 2008	■ DWP websites developed and online information greatly increased ■ Extensive redesign of leaflets and improved risk assurance on their information being up-to-date	■ Phone-based applications developed strongly for all customers ■ Redesign of many paper forms ■ Development of Carer's Allowance electronic claims ■ Some claim forms available online[1]	■ Phone-based contacts increased with all customers, especially those over 60 ■ Local offices, providing access for customers over 60, were closed
Immediate challenges from 2009 onwards	■ Consolidate and improve all online benefits information on Directgov (closing down DWP citizen-facing sites)	■ Develop the first two major online benefit applications for Jobseeker's Allowance and State Pension	■ Develop the first systems for online communications with customers via emails, web accounts etc ■ Develop 'Tell Us Once' procedures
Strategic long-term challenges (to 2017)	■ Further develop online advertising ■ Develop further interactive online applications and facilities	■ Grow the proportion of online applications (to 40 per cent for Jobseeker's Allowance by 2011)	■ Grow the proportion of online communications ■ Develop 'Self-Service' and online accounts

Source: National Audit Office

NOTE

1 The full list is available at www.dwp.gov.uk/eservice.

2 Key considerations in developing information exchange systems

Maintaining the security, accuracy and integrity of benefits systems
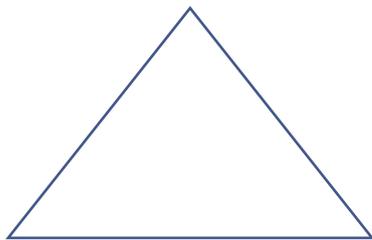
Delivering the best feasible customer experience

Maximising efficiency and minimising running costs

Source: National Audit Office

1.6 The importance of information exchange to the Department's business processes means that many staff in operational areas in the Pension, Disability and Carers Service and Jobcentre Plus have a role. The central Communications Directorate has a particularly important contribution to make, by changing customer attitudes and raising awareness of benefits and entitlements, and the ways through which potential or existing customers can claim them. It is responsible for leaflets, design of forms, web content and marketing campaigns, and is currently the risk owner for inaccurate information being given to customers, which has caused major problems in the recent past. Many of these activities are not specific to individual benefits, or support corporate communications.

1.7 The Department cannot identify the full cost of improving information exchange for a specific benefit or communications channel. The central Communications Directorate, which employs some 500 specialist and administrative staff, had a budget of £23 million in 2008-09 but the cost of supporting information exchange cannot be separated from other activities, such as the cost of Independent Case Examiner staff, for which it is also responsible. Major areas of expenditure in the past two years (2006-07 and 2007-08) included, however, £4.1 million promoting awareness of Pension Credit; £13.8 million targeting benefit fraud; and £1.3 million to raise awareness of Jobseeker Direct, the Department's Internet Job Bank and the Jobcentre Plus brand among people seeking work.

1.8 Within the Communications Directorate, the Customer Insight team, set up two years ago, has helped the Department understand its customers better, and contributes to designing products and services that best meet their needs. The central Communications Directorate does not yet, however, have sufficient involvement to give it an overview of the end-to-end customer journey for any of the benefits. Primary information exchanges such as face-to-face contact in Jobcentre Plus offices, and telephone contact and other frontline operation are controlled and managed by Jobcentre Plus and the Pension, Disability and Carers Service. In particular, the two Businesses retain sole control of customer letters, changes to contact centre scripts, and training staff to respond to queries face-to-face or with phone enquiries.

1.9 Since 2002, the Department has changed its approach to communicating with the public, heavily promoting the use of phone calls for both enquiries about and applications for state benefits. In the early years of this approach, there was a rapid increase in telephone calls and a high level of contacts that did not add value for either the Department or the customer, such as queries that could have been avoided through clearer communication in an earlier call. The Department estimates that, in 2005, 44 per cent of its communications from its customers did not provide any new or updated information that would need to be captured. Since then, the Department has reduced the number of calls from its customers by almost half **(Figure 3)** and increased to 75 per cent the proportion of contacts that provide genuinely new information.

1.10 Making telephone applications may be less appropriate for some particular groups of customers: customers who do not speak English; people who are reticent or unable to apply over the phone; and individuals who use pay-as-you-go mobile phones.

For customers who cannot or are reluctant to apply for benefits over the telephone, the Pension, Disability and Carers Service provides the Local Service that conducts 3,000 visits a day at a cost of £61 million. In 2008, 167,048 applications for Pension Credit and 108,002 applications for Attendance Allowance were completed face-to-face in customers' homes with the help of the Local Service. A small but significant minority do use mobile telephones, seven per cent of the Pension, Disability and Carers Service's customers and six per cent of Jobcentre Plus' customers. Among this group of customers, for those who use pay-as-you-go mobile phones, calling the Department may be expensive (see text box below).

Call Costs

For each of the three case study benefits, the application line is an 0800 number and therefore is free for customers calling from BT landlines. However, calls from other phone companies will vary. Customers calling from mobiles may be charged up to 40 pence per minute. The Department will call customers back if requested.

Some enquiry lines, such as Jobcentre Plus job search, are 0845 numbers and therefore cost four pence per minute from BT landlines. Again, calls from other phone companies and mobiles will cost more.

3 The change in the number of contacts the Department receives through different channels since 2005

Volume of customer communications (millions)

	Phone	Post	Face-to-face	Online
2005	147	54	38	0.16
2008	75	57	20	0.34

Communication channels
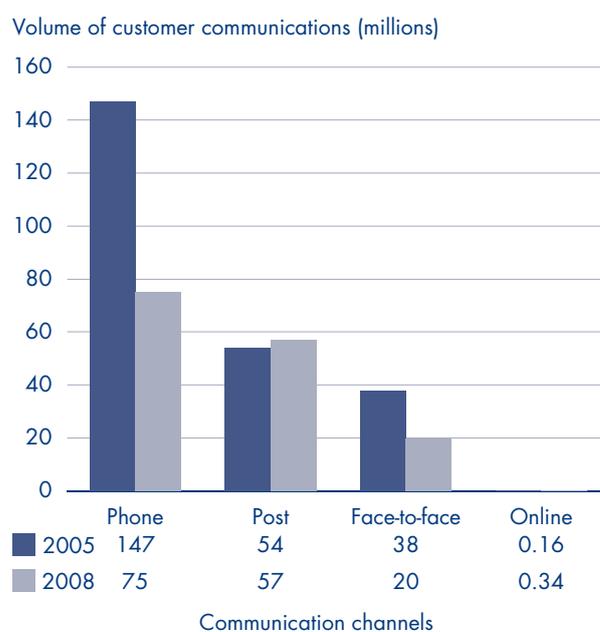
Source: National Audit Office analysis of Department for Work and Pensions data

1.11 For customers who do not speak English, Jobcentre Plus and the Pension, Disability and Carers Service provide facilities for customers to complete their phone application through a translator. Mystery shopping research for the Pension, Disability and Carers Service found that between 54 per cent of calls for disabled customers and 77 per cent of calls for older customers were completed successfully in an appropriate language in 2007-08. Jobcentre Plus does not use the same sort of mystery shopping research, but in 2009 has started to measure staff knowledge of calls taken from non-English speakers who need access to translation services. At the time of our fieldwork, there was no data available.

1.12 The Department has made limited progress in e-enabling the application processes for any of the state benefits. The Department's research shows that 38 per cent of its customers are enthusiastic about online services but, in 2008, the Department received 340,000 contacts from the public online, representing 0.2 per cent of all the contacts it received.

Progress in improving paper forms and leaflets

1.13 The Department issues 12 main forms for major benefits. The Department's policy of handling benefits by phone also means that contact centre staff can respond flexibly to what customers say, avoiding altogether many sections of the printed forms not relevant to particular customers. Nonetheless, hundreds of thousands of customers still submit applications on paper forms, which they have worked through, either on their own or with the help of someone else such as a member of their family, a charity, or the Local Service.

1.14 The National Audit Office report *Difficult Forms*[7] found that social security forms were amongst the longest forms across central government in terms of page lengths and numbers of questions. We assessed all the Department's main forms for their degree of difficulty using the Difficult Forms report checklist, updated for this study. The Department has followed some of the recommendations for improving the usability of their forms. Communications experts now have more involvement in their design. The Department has trained its form designers in the Plain English methodology, and the current claim packs for Attendance Allowance and Jobseeker's Allowance carry the Plain English Campaign's 'Crystal Mark' award for clarity of language. In general, the Department has shortened their forms, made them easier to read and made the sequence of questions more logical for the customer.

1.15 **Figure 4** shows, however, that most major benefit application forms in their printed formats remain lengthy, and the majority are accompanied by guidance notes that are long and complex. In our focus groups, charities and non-governmental organisations said that simplified starting off instructions were badly needed because almost no one read the comprehensive guidance notes provided by the Department until and unless they got stuck. This approach is consistent with the report of the Committee of Public Accounts in 2004 that concluded "Guidance notes should be designed to help people complete forms quickly and with minimum effort. Text should be kept to a minimum, and visual aids used to demonstrate by example what is wanted. Citizens want to start immediately on filling in a form and will look up guidance notes only if necessary." The Department has introduced a tear-off page to the forms for Attendance Allowance and adult Disability Living Allowance, at the end of lengthy and detailed notes. This page tells the customer where to get help, what information they need before they start to fill in the form, how to fill in the form, and what happens next.

1.16 The central Communications Directorate has recently undertaken a review of leaflets, partly in response to a National Audit Office report which was critical of the accuracy and currency of the Department's leaflets, especially stocks held at third party organisations.[8] As a result, the number of pre-printed leaflets has been reduced from 208 in April 2005 to 53 in December 2008, and in both volume and cost (from 24 million in 2004-2005 at a cost of £10.3 million to 12 million in 2007-2008 at a cost of £1.7 million). For many leaflets the Department has also adopted phone-based distribution, where customers ring with enquiries and contact centre staff can despatch relevant information leaflets and forms by mail. The Department is unable to track the stock of leaflets which its offices, or those of third parties such as the Citizens' Advice Bureau, hold.

1.17 Following the Department's review of its leaflets and an error subsequently identified in one of its published leaflets, internal audit reviewed how the Department manages the accuracy of information given to customers. Internal audit concluded that there is a reasonable level of existing controls within the Department's business units to prevent inaccurate information being provided to customers, but was unable to provide assurance that the risk was effectively managed between the Agencies and the central business risk owner. A comprehensive review of the Department's leaflets will, however, be carried out at the beginning of the financial year. The Department has put in place a Content Management System to store

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7   *Difficult Forms: How government departments interact with citizens,* HC 1145 Session 2002-03, October 2003.
8   *Department for Work and Pensions: Using leaflets to communicate with the public about services and entitlements,* HC 797 Session 2005-06, January 2006.

information used in all its leaflets, which provides a search facility and allows version control of individual paragraphs. The Department is also strengthening internal governance and ownership of content published through all channels, to reduce the risk of incorrect information being given to customers.

1.18 The Department has followed this work by launching a Public Information Review in autumn 2008 which is due to be completed in 2009. Through the review, the Department aims to get a better understanding of customers' views of the accessibility, accuracy and relevance of the information products they use, such as leaflets, guidance and websites, including whether they meet the needs of ethnic minority and disabled customers.

Progress in providing information about benefits online

1.19 The core of the Department's immediate strategy to inform the public about benefits is to transfer all its internet services on to Directgov, a government 'supersite' that aims to re-package and re-present all citizen-facing information across UK government in more user-friendly and accessible ways than previously achieved by government websites.[9] Jobcentre Plus content and Jobsearch was available on Directgov from 2 February 2009. All public-facing content from the Department for Work and Pensions, Jobcentre Plus and the Pension, Disability and Carers Service websites will move to Directgov by 2011. As part of the migration process, however, the departmental sites are not being developed and will not be closed until 2010. Our research has shown that the departmental websites already contain benefits information that is out of date and inconsistent with Directgov. Users in our hybrid focus group (a computer laboratory experiment and follow up discussion with participants, described in more detail in Appendix 1) searched for 'unemployment benefit' rather than Jobseeker's Allowance, as do 13 per cent of external searches on Directgov. This term, which is not used in the Jobcentre Plus site, is included in Directgov text to ensure visitors can find the relevant information.

4	Comparing the length of forms for the major benefits administered by the Department				
	Number of pages of guidance notes and information	Number of pages in the actual form	Total number of pages	Number of open ended questions on the form	Total number of questions on the form
Case study benefits:					
Jobseeker's Allowance	10	38	48	12	93
Attendance Allowance	12	17	29	3	80
Pension Credit	20	13	33	0	76
Comparison benefits:					
Incapacity Benefit	11	37	48	3	223
Income Support	20	41	61	6	160
Disability Living Allowance	11	45	56	42	150
Carer's Allowance	21	26	47	4	135
Maternity Allowance	20	18	38	3	69
Industrial Injuries Disablement Benefit	15	13	28	6	63
Bereavement Benefit	11	15	26	3	59
State Pension	6	10	16	2	42

Source: National Audit Office analysis of Department for Work and Pension forms

NOTES

1 Not all customers will need to complete all the questions on a form.

2 The Department administers 12 major benefits. In addition to the 11 benefits listed in the figure, Employment Support Allowance was launched in October 2008 after we had completed our census.

9   See *Government on the Internet: progress in delivering information and services online*, HC 529 Session 2006-07, July 2007.

1.20 Directgov's provision is still transitioning in the benefits area. To assess whether it was already assisting people seeking benefits-related information, we conducted detailed online user experiments where participants were asked to find benefits information. Our work shows that Directgov is highly visible to potential benefit applicants and that visibility has increased since 2007.

"It needs a good search engine, that picks out words you want...like NHS direct – one word will bring it up for you, it's so clear."

National Audit Office focus group member

1.21 Our analysis also shows that participants generally found correct information relatively quickly, and that those who used government sites were more likely to find the correct answer than those using other websites. There was variation in the time taken to answer questions with people finding it especially hard to answer the first question about eligibility for a benefit (the 'orientation' stage) before becoming more familiar with Directgov or other websites. Overall, 43 per cent of questions were answered correctly in under two minutes, 40 per cent took between two and five minutes and 17 per cent of questions took over five minutes to be correctly answered. In our experiments, users highlighted problems with the Directgov site's internal search function. When using the Directgov site's search engine to answer questions such as what unemployment benefit they were entitled to, their searches generated some 500 results, and the most useful pages were not the first listed. This presentation made it difficult to answer the question correctly. Directgov monitors the most frequently used search terms and seeks to prioritise search results accordingly. Since we carried out our fieldwork, Directgov has made changes to the search engine as part of its ongoing review of commonly used search terms.

The strategic change environment

1.22 The Department is undertaking a major Change Programme, which has five main strands:

a *Self-Service* is designed to facilitate Department for Work and Pensions' customers doing more of the information provision and monitoring of their benefits entitlement themselves, using online systems.

b *Information Management,* seeks more effective management of customer information to support improved customer service.

c *Lean*, applies the 'lean' approach to improving the Department's business processes.

d *Transforming Customer Contact*, mainly focuses on improving telephony services.

e *Customer Transitions*, aims to reduce the number of contacts a customer makes when notifying the Department of a change of circumstances, particularly when transferring from one benefit to another.

1.23 The 'Tell Us Once' initiative will also have significant implications for customer interactions. This is a cross-government initiative being led by the Department for Work and Pensions which aims that citizens will only have to tell the government once about three major changes of circumstances: having a baby; the death of a relative; and change of address. Tell Us Once is targeted to be working in 2011. Whichever department of central government is first notified will then take on responsibility for informing all other relevant public sector agencies of the change involved, automatically triggering any other paperwork that citizens need to complete. This is an ambitious and demanding programme to implement in the UK because of the current lack of any widely used cross-government identity index system. The main challenges the Department will face in successfully implementing Tell Us Once will be aligning the initiative with its wider change programme and ensuring effective and consistent staff engagement.

1.24 The Department has now formulated a Service Delivery Strategy document that proposes:

■ shifting the Department's business processes and customer contacts into online and electronic pathways;

■ improvements to the telephony service including rationalising the number of telephone numbers and minimising the number of times a customer is transferred;

■ better face-to-face contact that meets the needs of both working age and older people; and

■ working better with third party organisations including giving them better access to data and allowing them to concentrate on adding their value to the customer experience.

The strategy is linked to the Department's wider change programme, specifically the Self-Service project. The Department has not yet set out firm delivery timescales or identified the specific financial gains expected.

1.25 The Department has already committed to immediate action on the first key element of a major transformation of its business, developing online applications for Jobseeker's Allowance (**Figure 5**, and also discussed below in Part 2). By 2011, the Department aims to achieve 40 per cent of applications for Jobseeker's Allowance coming in through a new online application facility. The Jobseeker's Allowance project has become a departmental priority because of the need to cope with a large increase in unemployment anticipated over the next two years. There is also a well-advanced plan to put State Pension applications online, which is expected to take place by November 2009.

5	The Department's plan for developing Jobseeker's Allowance applications online
Key date	**Stage**
July 2009	Launch of online applications (not through the Government Gateway) for Jobseeker's Allowance. The initial facility will mean that:
	■ all customers for contributions-based Jobseeker's Allowance can complete a full application; and
	■ customers for income-based Jobseeker's Allowance can complete online all the questions that would have been in the first 17 pages of the paper form. They will then be telephoned by a contact centre to complete the questions on the last 21 pages of the paper form, for themselves and their partner.
February 2010	Full online applications for income-based Jobseeker's Allowance customers.
End of 2011	The Department assesses that take-up of 40 per cent is achievable by this date.

Source: National Audit Office review of Department for Work and Pensions data

The scope of this report

1.26 The rest of this report addresses the following questions:

a   How easy is it for customers to find out how and where to claim benefits and what information they will be required to submit?

b   How straightforward is it for citizens to submit information to the Department by their preferred channel (face-to-face, telephone, paper forms or online)?

c   What is the quality of information provision by the Department both during and after application?

d   Does the Department make maximum use of the information provided by benefit applications to make subsequent contacts easier for customers?

1.27 To provide an in-depth evaluation of information exchanges between the Department and the public, we focused our review on three major state benefits: Jobseeker's Allowance, Pension Credit and Attendance Allowance. As part of our examination, we:

■ analysed the current forms for all major State benefits;

■ reviewed the records of 100 applications for each of the three case study benefits;

■ conducted over 50 interviews with departmental and frontline staff;

■ held five focus groups with both stakeholder groups and members of the public; and

■ ran user-testing experiments to understand how easily members of the public could find accurate information about benefits.

PART TWO

Jobseeker's Allowance

2.1   **Figure 6** sets out the key characteristics of Jobseeker's Allowance. Because of the economic downturn, applications have increased rapidly, and Jobcentre Plus is facing significant operational pressures. In the six months to 16 January 2009, the number of new claims grew by 81 per cent to 105,450 per week.

2.2   There are six key information exchange processes involved in making a claim for Jobseeker's Allowance, shown in **Figure 7** where the solid arrows show the main routes used, and the dashed arrows show subsidiary routes. Appendix 2 gives a more detailed explanation of what is involved.

Is it easy to find out about Jobseeker's Allowance?

2.3   The results from our experiments show that customers can find information about Jobseeker's Allowance relatively easily online **(Figure 8 on page 20)**. We found that 90 per cent of users were able to find out what type of Jobseeker's Allowance they were entitled to, and over 70 per cent found the right answer in less than five minutes.

6	The key characteristics of Jobseeker's Allowance

Jobseeker's Allowance is the benefit for people who are unemployed (or currently working for less than 16 hours work per week) and who are available for and actively seeking work. Benefits may be awarded on the basis of previous National Insurance contributions paid in (Contributions) or on the basis of the applicant's low means (Income-based).

Key details	2003-04	2004-05	2005-06	2006-07	2007-08
New Jobseeker's Allowance claims (000s)	2,588	2,389	2,456	2,485	2,449
Total Jobseeker's Allowance customers (000s)	836	761	833	872	768

Key details	2007-08			2007-08
Most common duration of payments	13 to 26 weeks		Decisions reconsidered (000s)	311
Average weekly value per payment	£55.32		Decisions appealed (000s)	2
Claims rejected (000s)	217		Average cost of handling one claim	£89
			Direct costs only, of handling one claim	£64

Source: National Audit Office

NOTES

1   The direct cost per claim relates to the staff costs of those directly involved in processing new claims. Total costs represent the Unit Cost based on the total costs to the Department of processing new claims.

2   Average weekly payment taken from May 2008.

3   Total Jobseeker's Allowance customers is calculated as the average number of people in receipt of Jobseeker's Allowance across the four quarters of each year.

7 The key information exchange stages in the process of customers applying for Jobseeker's Allowance (JSA)

Customer finds out about JSA from the internet

Customer finds out about JSA from leaflets

Customer visits JCP office

Customer rings the JSA application line

Customer registers interest on the internet

Customer provides claim information over the phone

Contact centre operator calls customer and confirms information submitted online

Contact centre operator books interview at local JCP office and informs customer of what evidence will be required

Customer attends initial appointment where information submitted is checked and evidence verified

Claim details sent to benefit processing centre

Details of JSA status sent to local authorities to trigger Housing and Council Tax benefits

Processing centre makes decision and informs customer

After 13 weeks continuous unemployment, customer attends a restart interview with JCP

Customer visits JCP office once a fortnight to provide evidence that they are actively seeking work

Customer fails to meet job-seeking requirements. JCP suspends or cancels JSA payments

Customer finds work and informs JCP

→ Most common route   --→ Uncommon   ☐ Customer action   ☐ Jobcentre Plus (JCP) action

Source: National Audit Office

2.4   Customers are also likely to receive accurate information from both call centres and local offices. The results of Jobcentre Plus' mystery shopper exercise show that over 90 per cent of queries made to local offices and, in general, four fifths of queries to call centres are answered correctly. The apparent decline in results for call centres between the first and third quarters of 2008 reflects pressure on call centre capacity as the volume of calls has increased, rather than that less accurate information has been provided by call centre staff over this period. Jobcentre Plus's mystery shoppers make three separate attempts to telephone the call centre, and if unsuccessful give the unanswered query a score of zero **(Figure 9)**. The Department's data for the period October to December 2008 indicate that, of those call centre enquiries that were answered, in 86 per cent of cases the response given was accurate.

"In fairness to DWP, there have been some improvements... In terms of accessibility of information generally, such as Directgov for example, it's a good service, assuming you have a computer or you are computer literate."

National Audit Office stakeholder focus group member

8	The results of user experiments

Percentage of users finding the correct answer

Time it took users to find the correct answer (percentage of users)

■ Less than 2 min   ■ 2 to 5 min   ■ More than 5 min
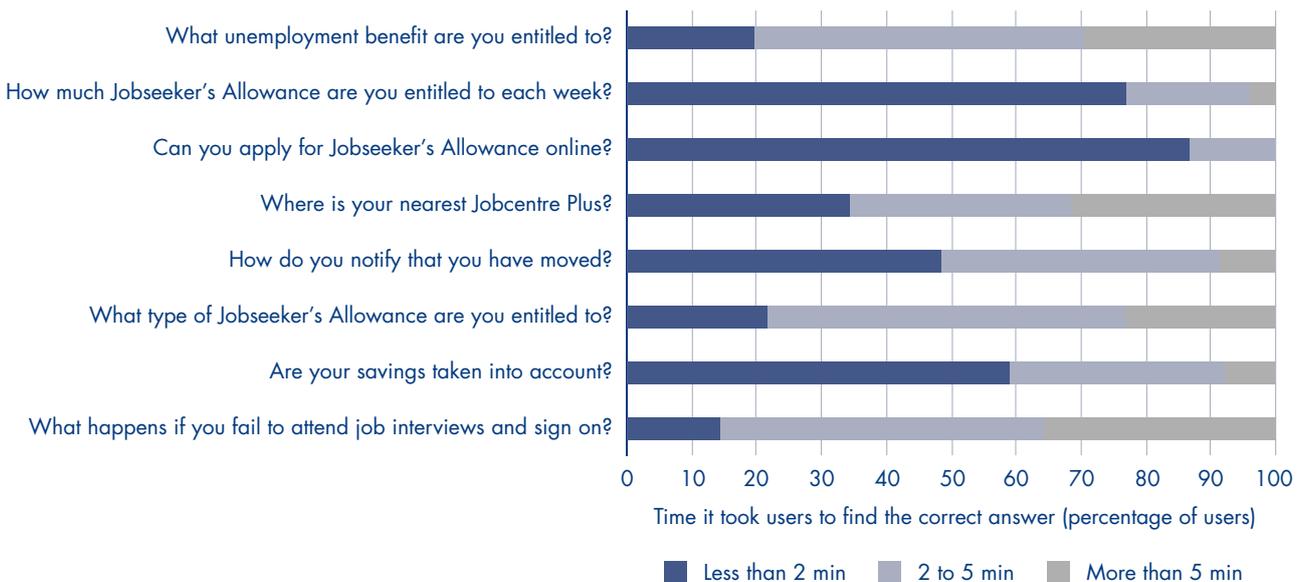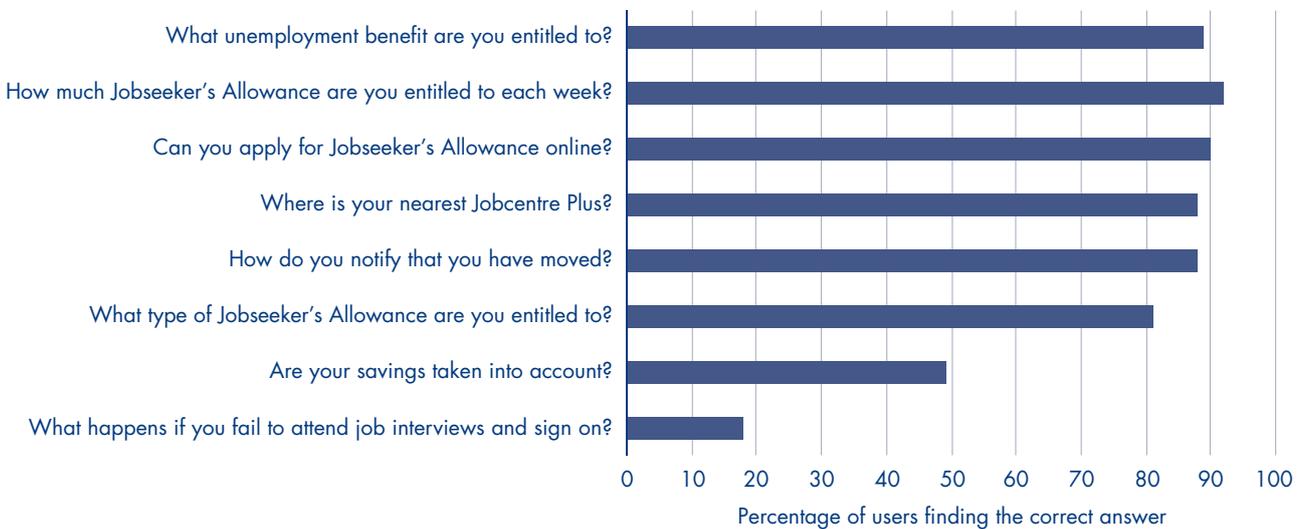
Source: National Audit Office analysis of user experiments

2.5 The users in our experiments generally found it easy to find accurate information about Jobseeker's Allowance online, but there were exceptions. Over 80 per cent could not find the correct answer to the question 'You have been receiving Jobseeker's Allowance for the last three months, but you were unable to attend two job interviews in the last week, and also could not go to attend a Work Focused Interview at a Jobcentre Plus office. Will your benefit be affected?' Customers are informed at their initial interview that payment of Jobseeker's Allowance depends on their compliance with the conditions, and these are set out in the Jobseeker's Agreement they must sign. Repeated non-compliance with this process has significant implications for the customer: their Jobseeker's Allowance payments can be suspended for between 1 and 26 weeks. It is important for this information to be easily accessible on the website as well, since customers need to understand the conditions, and the consequences of failure to comply.

## Is it easy for customers to submit their application?

2.6 The telephone application process is simple and efficient for the customer. Customers are able to apply for Jobseeker's Allowance via a network of 22 first contact call centres, all accessible from one national telephone number. Calls to this free number enter a single queue and are answered by the next available agent within the network to minimise customer waiting times. The average call waiting time for first contact calls, over the period July to December 2008, was 1 minute 49 seconds. The average proportion of abandoned calls over the same period was 12 per cent, against the Department's target of 10 per cent

or less. Customers can complete the application in one phone call rather than waiting for the call centre to ring them back. Jobcentre Plus does not routinely collect data on the time taken for customers to apply for Jobseeker's Allowance over the phone. For the purposes of this report, Jobcentre Plus conducted a short review and estimates that the average application takes 29 minutes. Calls are free from landlines, though a customer using a pay-as-you-go mobile phone could pay up to £11.60 for the call. Jobcentre Plus does offer an option for the call centre operator to call the customer. Jobcentre Plus recorded 220,330 phone back calls in 2008.

2.7 Customers are already able to register their interest in applying for Jobseeker's Allowance online, and the number of people registering is more than 30,000 per month. The process is slower and entails duplication of effort. To register online, customers must first register with the Government Gateway. Customers then submit the initial details of their claim online. A contact centre will then call them back to ask for more information. The Department's performance information shows that 92 per cent of customers are called within 36 hours. There can be a longer delay, however, putting customers who register online at a significant disadvantage to those who ring the call centre directly. This delay is caused by an incompatibility between the standalone system for online registrations and the workings of the phone-based system.

2.8 The Department is developing an online application process for Jobseeker's Allowance (see Part 1) beginning in July 2009. There is a clear customer demand for this service. Full online application has the potential to reduce significantly the information exchange burden on both the customer and the Department.

9 The accuracy of answers given by Jobcentre Plus in response to mystery shopper queries

Percentage of correct answers

■ Apr–Jun 2008　■ Jul–Sept 2008　■ Oct–Dec 2008
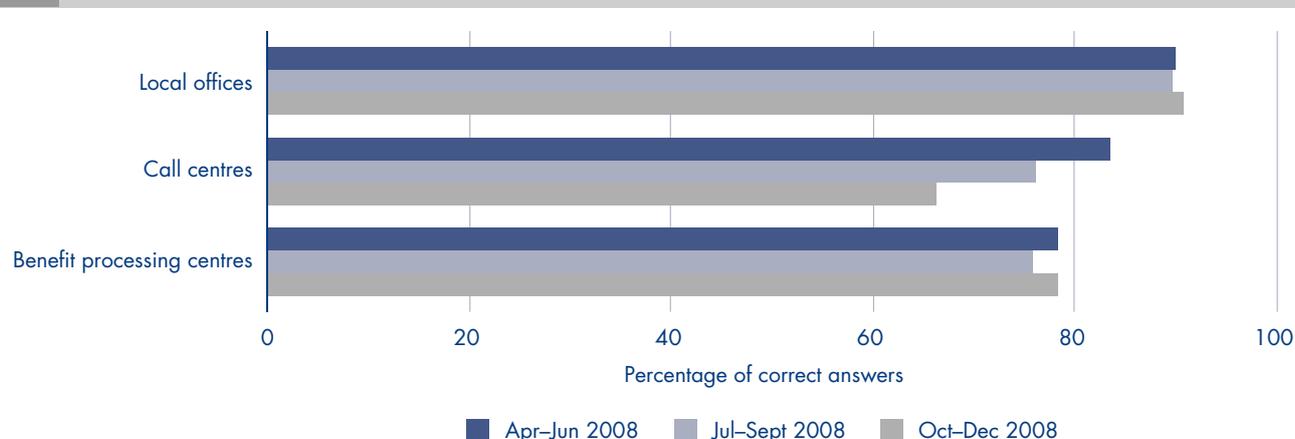
Source: National Audit Office analysis of Department for Work and Pensions data

The quality of communication after the initial application

2.9 The local Jobcentre Plus offices are well-organised to obtain the additional information needed to issue Jobseeker's Allowance effectively. As part of the initial phone call, customers are given an appointment and rarely have to queue at the Jobcentre Plus office. Customers' satisfaction with the quality of service provided at Jobcentre Plus offices has increased. In both 2004 and 2007 some three quarters of customers said they were either 'fairly satisfied' or 'very satisfied', and the proportion who were 'very satisfied' increased from 32 per cent in 2004 to 45 per cent in 2007.[10] In particular, our focus group participants felt that Restart interviews, a more in depth interview given when a customer has failed to find a job after 13 weeks, were particularly helpful.

"There is a ...restart person and he is a really nice bloke, really down to earth... If you have a problem, he goes through it, no pressure, he's great!"

National Audit Office focus group member

2.10 Most job advertising, most job searches and many full job applications now take place online. For example, all applications for jobs in the National Health Service, the UK's largest connected set of employers, must now be made online. Customers who attend Jobcentre Plus offices do not currently have direct access to the internet. The Job Point kiosks accessible in Jobcentre Plus offices do allow customers to access Jobcentre Plus' database of vacancies, which include the same vacancies as are on the Jobcentre Plus and Directgov websites, but customers cannot search for or apply for jobs on the internet. As part of the initial application process, the customer spends 40 minutes with an adviser developing a job-search, but there is no easy way for the adviser to show the customer how to use the internet and which websites are useful.

2.11 Jobcentre Plus is also missing potentially valuable information on how and where their customers are using the internet to find jobs. At signing on interviews, the Labour Market Information system will not allow Jobcentre Plus staff to register online searches or websites visited on a customer's file, so they must enter them under the 'other' search category. Jobcentre Plus cannot therefore analyse this information at either a local or national level, and cannot tell its customers which websites are the most useful.

Using customer information efficiently

2.12 Jobcentre Plus has put in place processes that allow it to use information provided by the customer more efficiently.

- When customers are accepted for income-based Jobseeker's Allowance, many are immediately eligible for Housing Benefit and Council Tax Benefit. In these cases, Jobcentre Plus automatically notifies the relevant local authority of the customer's Jobseeker's Allowance status, which triggers an internal process to assess their eligibility for Housing Benefit and Council Tax Benefit.

- Jobcentre Plus has eased customers' transition between some benefits. For example, customers coming off Jobseeker's Allowance at retirement age are informed about and can apply for Pension Credit four months in advance.

- Jobcentre Plus has also introduced the Rapid Reclaim process, whereby customers reapplying for Jobseeker's Allowance after less than 26 weeks work provide significantly less information than for an initial claim, resulting in a shorter initial telephone application or a 20 page form, each of which asks only for details of any changes to the customer's situation. The previous limit for Rapid Reclaim was 13 weeks, and the time extension makes around 250,000 additional people per year eligible for this accelerated process.

2.13 Communication of the automatic link between Jobseeker's Allowance, Housing Benefit and Council Tax Benefit is less well managed when a customer's Jobseeker's Allowance claim is closed and payments are stopped. Jobcentre Plus estimates that 18,000 customers per week have their Jobseeker's Allowance closed because the customer has failed to attend interviews or job-search reviews and has not informed Jobcentre Plus of their circumstances. When a customer's Jobseeker's Allowance is closed, the local authority is automatically notified and it will probably suspend the customer's Council Tax Benefit and Housing Benefit pending investigation. In the majority of cases, the customer will still be eligible for both benefits. People affected by this process are not made aware of it. When the Department writes to customers notifying them that their Jobseeker's Allowance has been stopped, it advises them to contact their Local Authority, but does not tell them that their other benefits are at risk of being stopped.

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10   DWP Research Report No 480 (2007) Jobcentre Plus Customer Satisfaction Survey, p20.

PART THREE

Pension Credit

3.1 **Figure 10** sets out the key characteristics of Pension Credit. Pension Credit was introduced in 2003 and initially there were very high levels of applications. The level of new applications has reduced over time. The Department has invested £292 million in developing the application process and the associated IT systems.

3.2 The key information exchange processes involved in making a claim for Pension Credit are shown in **Figure 11 overleaf** where the solid arrows show the main routes used, and the dashed arrows show subsidiary routes. Appendix 2 gives a more detailed explanation of what is involved.

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10 The key characteristics of Pension Credit

Pension Credit is an entitlement for people aged 60 or over living in Great Britain. It guarantees everyone aged 60 and over an income of at least £124.05 a week for a single customer and £189.35 for those with a partner. It is aimed at those whose total income from all sources (including other state benefits) is below the minimum income threshold. The amount people receive varies, but for those customers receiving the income guarantee element only, the average weekly amount in 2007-08 for a single customer was £88.33.

Pension Credit also has an additional savings element for customers over 65 as a reward for saving for retirement which represents up to £19.71 a week for a single customer and up to £26.13 for those with a partner. Single people may be eligible if their income from pensions, savings, earnings and investments is between £91.20 and £174 a week. People who have a partner may be eligible if income from these sources is between £145.80 and £255 a week. For the 22 per cent of customers who receive the savings element only, the average payment in 2007-08 was £11.59 a week.

Key details	2003-04	2004-05	2005-06	2006-07	2007-08
New Pension Credit claims (000s)	127	525	301	270	276
Total Pension Credit customers (000s)	2,282	2,655	2,709	2,731	2,719

Key details	2007-08		2007-08
Duration of payments	44% customers 2-5 years	Decisions reconsidered	NA
	39% customers over 5 years		
Average weekly value per payment	£60.16 *(average across Savings Credit, Guarantee Credit and both Savings & Guarantee customers)*	Decisions appealed	1,459
Claims rejected	37,580	Average cost of handling one claim	£114
		Direct costs only, of handling one claim	£42

Source: National Audit Office analysis of Department for Work and Pensions data

NOTES

1 Data taken from Work and Pensions Longitudinal Study, February 2008.

2 2003-04 statistics are based on a part year as Pension Credit only came into effect from October 2003.

11 The key information exchange stages in the process of customers applying for Pension Credit

| Customer finds out about Pension Credit from the internet | Customer finds out from Local Service Information Point (i.e. one-stop shop) | Customer finds out from leaflets | Customer receives letter about State Pension, pension forecast, or a letter from Jobcentre Plus because they are coming off working age benefits which tells them they may be eligible for Pension Credit – prompts a call | Customer finds out from a third party (word of mouth or partnerships) | Customer finds out from marketing activity/ advertising/ direct mail etc |

Customer writes to PDCS

Customer calls PDCS to enquire about Pension Credit

At customer's request, PDCS sends a paper form to customer

PDCS rings back customer

Telephone application

Customer completes form and returns it to PDCS

PDCS arranges visit by Local Pension Service

Customer downloads the form, prints it off, completes it and sends it to PDCS

PDCS staff review case and decide if further evidence is required

Additional Information

PDCS send letter to customer requesting additional information

Visitor completes form

Customer sends documentation to PDCS by freepost

Customer submits information at PDCS contact point

One touch and done customers

PDCS copies documentation and returns it to customer

Claim sent to processing centre

PDCS makes decision on the claim

Customer informed of decision

→ Most common route   → Common for certain customers   --→ Uncommon

☐ Customer action   ☐ Pension, Disability and Carers Service (PDCS) action

Source: National Audit Office

Is it easy to find out about Pension Credit?

3.3 The Comptroller and Auditor General concluded in his report on pensioner poverty in 2006 that the then Pension Service had implemented an effective marketing campaign to increase Pension Credit take-up.[11] The results of our user experiments show that over 80 per cent of users found the correct answer to questions about Pension Credit online **(Figure 12)**. Pension Credit is also publicised through the pension forecast letters that are sent to people who are reaching retirement age. Customers who are on working age benefits, such as Jobseeker's Allowance, also receive a letter from Jobcentre Plus informing them of their potential eligibility for Pension Credit.

"My [Pension Credit information] came through the post with the pension forecast and they tell you what to do and where to ring them. When you ring them up they are really, really helpful."

National Audit Office focus group member

3.4 The Pension, Disability and Carers Service runs an annual mystery shopper exercise to test the quality of information provided by its telephone enquiry lines. In the 2008-09 mystery shopper exercise, four per cent of callers received all the information a customer could require. In 87 per cent of cases, mystery shoppers judged that, while the information callers were given was correct, some additional information that would have been helpful was omitted. For example, staff may not have given callers their name or may not have offered to call the customer back. In the remaining 10 per cent of cases, either some of the information given to customers was incorrect, or customers were unable to make contact with the call centre after several attempts **(Figure 13 overleaf)**.

12 The results of user experiments

Percentage of users finding the correct answer

Time it took users to find the correct answer (percentage of users)

■ Less than 2 min   ■ 2 to 5 min   ■ More than 5 min

Source: National Audit Office analysis of user experiments

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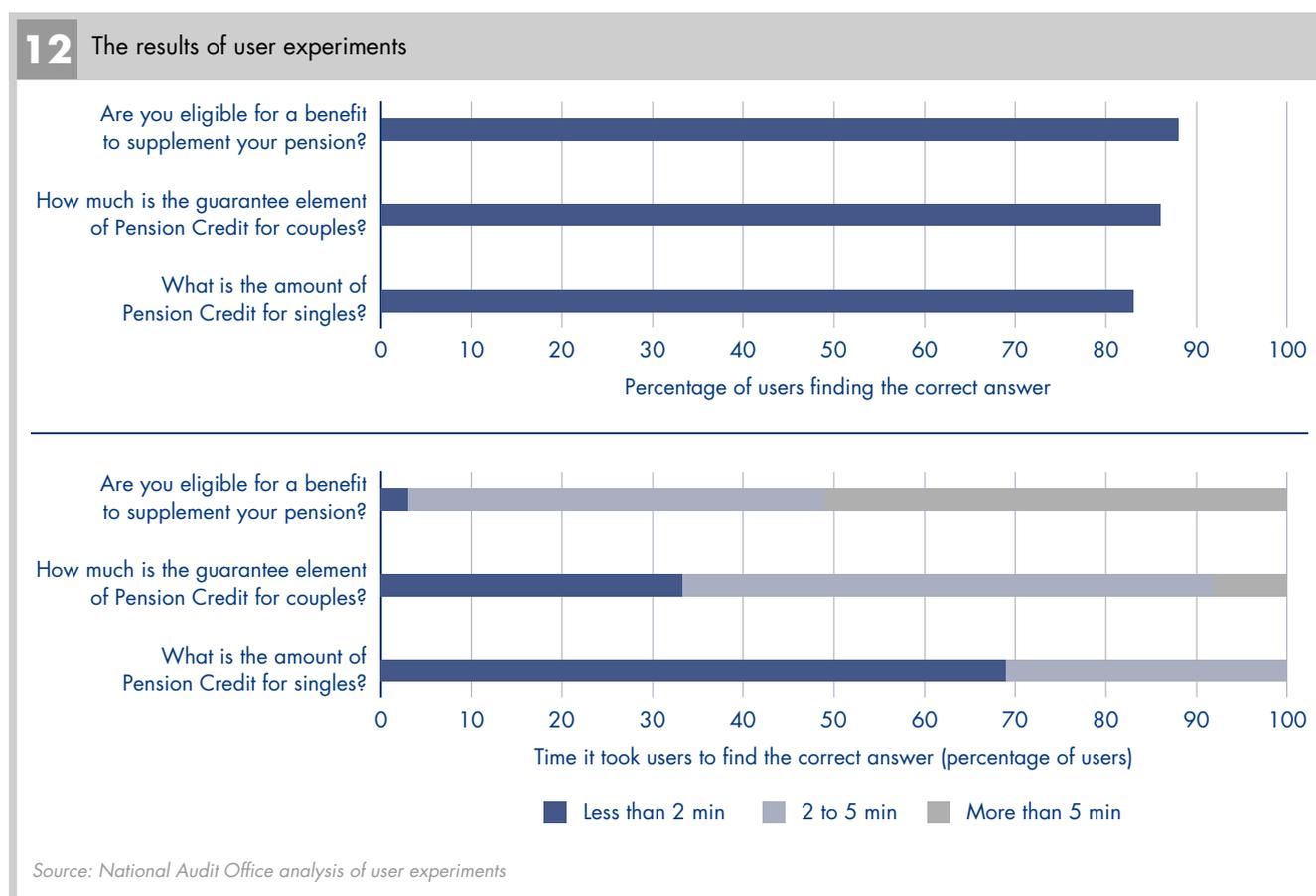
11   Comptroller and Auditor General's report, *Progress in tackling pensioner poverty: Encouraging take-up of entitlements*, HC 1178 Session 2005-06, July 2006.

13 Results of the Pension, Disability and Carers Service's mystery shopper exercise

Percentage of staff responses to enquiries

■ 2008-09 ■ 2007-08
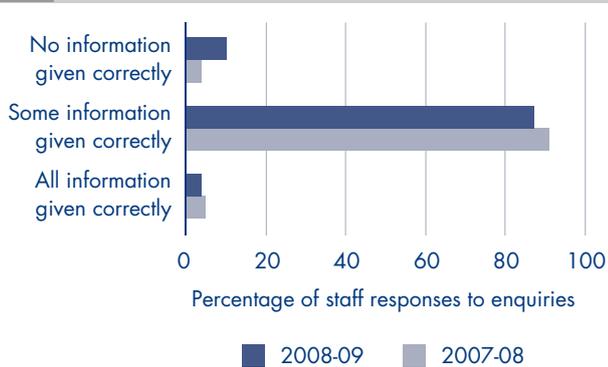
Source: National Audit Office analysis of Department for Work and Pensions data

3.5 In particular, provision of information regarding eligibility for Pension Credit could be further improved. Many customers assume that they are ineligible without checking with the Department. For example, some customers in our focus groups also believed incorrectly that they would not be eligible while undertaking part time work or that they would have to spend their savings before they would become eligible. Customers who have at one time been deemed ineligible may not realise when changes to their income or savings mean they should reapply. When an older person is rejected for Pension Credit, the letter they are sent does not set out the reason why they have been rejected, and does not encourage them to re-apply if their circumstances change. Stakeholder groups for older people pointed out to us that someone may be just ineligible for Pension Credit, yet their circumstances may change if, for example, the real value of their incomes decline, which could mean that they subsequently become eligible. Whilst prompts about Pension Credit are included in the conversation when a customer rings in to report a change of circumstance, including this prompt in the letter as well would ensure the majority are picked up.

Is it easy for customers to submit information?

3.6 It is possible for some customers to complete the entire application process in one phone call. The phone-based application process makes it possible for staff to offer a good level of customer service and for customers to apply for four benefits through one phone call (Housing Benefit, Council Tax Benefit, State Pension and Pension Credit). The phone lines are open for 12 hours a day and on average Pension Credit customers waited one minute and four seconds to talk to an adviser during the period April 2008 to December 2008. The average time for a call is 19 minutes, but some straightforward cases may take less time and more complicated cases could take another 10 to 15 minutes to complete.

"The person I got [on the phone] was really, really helpful. You felt that when you put your telephone down, it's all sorted."

National Audit Office focus group member

3.7 Call centre staff training requires them to consider the needs of their callers. Where they feel a customer has an inability to manage their business over the phone, or is becoming distressed or confused, they will offer them a personal visit. Customers with particularly complex financial arrangements may also be referred through to this service. In 2008, the Local Service employed around 1,800 staff at a cost of £61 million, and it generated around £831 million in additional benefits for pensioners per year. The Department for Work and Pensions reports that it undertakes over 3,000 home visits every working day.[12]

3.8 The Local Service is broadly supported by charities and other non-governmental organisations working with older people. Local visitors spend up to 30 minutes with customers, helping them with multiple benefits and entitlements, and completing the application forms. The service is not as efficient as it could be, however, in that paper forms completed face-to-face are then submitted to the processing centre to be entered on the IT system. With a view to addressing this issue, the Department is piloting a plan for visitors to phone applications through to Pension Centres on behalf of customers.

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12   DWP (2008) *Today* Information Booklet.

3.9 Some 37 per cent of applications for Pension Credit are submitted on paper forms. The form itself is relatively short when compared to other benefit application forms, and most customers who complete the forms do so with the assistance of the Local Service. There are, however, flaws in the design, and there is a mismatch between the paper form and the questions used in call centre scripts. For example, there is no question on the paper form asking if the customer has specific communication needs. We estimated, from the Department's management information, that some 11,000 customers per year complete the application form without the assistance of the Local Service. This group of customers are also required to submit more detailed evidence than those who apply by phone: postal applicants, for example, are all asked to submit savings books for verification, whereas telephone claimants are not asked to do so if they have very low levels of savings.

The quality of communication after the initial application

3.10 The aim of the Pension, Disability and Carers Service is that applications for Pension Credit should be completed as swiftly and efficiently as possible, taking into account the relative complexity of individual claims, and in one phone call in as many cases as possible. Some 20 per cent of claims can be handled immediately and are completed on the first phone call. Over 80 per cent of cases, however, require additional documentation, and letters requesting this information are generated by the Department's computer system using pre-prepared modules of text **(Figure 14)**. The resulting letters are unnecessarily long and complex. The average letter is

16 sides long for a request of three additional pieces of information. The actual request for information is in the middle of the letter rather than clearly sign-posted at the start. The customer's signature box is also in the middle of the letter rather than at the end, meaning that it can be easily overlooked. There are also delays in issuing the letters, which often arrive at the same time as the three week reminders. Charities told us that the lack of clarity causes distress and confusion for pensioners, and also results in unnecessary queries and customer errors.

3.11 The Department amended the system generated letters in 2008, to address problems it had identified with placement of the 'what to do next' section, the clarity of requests for additional information, and customer misunderstanding of instructions for how to return the form. It started to issue revised letters with effect from 26 January 2009, after our fieldwork was completed.

3.12 Many older customers are concerned about sending the Pension, Disability and Carers Service original copies of important personal documents in the post. The Service does provide an alternative document verification service through 400 local charity and public sector offices. Awareness of this service amongst customers is poor, caused in part by the fact that the Pension, Disability and Carers Service does not refer telephone customers to these local offices.

"If I have a problem with the council I go to the council and I have it sorted out. If I have problems at the bank, I would go to the bank because there is a bank there for me to go to. But there isn't a place to go to when you have to sort this out."

National Audit Office focus group member

14	Information on system generated letters sent to Pension Credit customers			
		Average number per week	**Maximum length pages (sides)**	**Average length pages (sides)**
Populated applications		271	16 (32)	12 (24)
Blank applications		118	16 (32)	12 (24)
Additional information letters		2,256	12 (24)	8 (16)
Average number of documents requested in each Pension Credit Additional Information letter				3

Source: National Audit Office analysis of Department for Work and Pensions data

3.13 Sixty per cent of the 643,600 Pension Credit related calls to Pension, Disability and Carers Service call centres are routed through as general enquiries. At present, not all staff have access to all the agency's IT systems used for processing claims, which provide information about customer applications. The agency is currently undergoing a business transformation programme and, once full roll-out is complete, which the agency plans to be achieved in November 2011, all advisers will have the same level of access to the IT systems. At that point the Department expects all enquiries to be managed at the point of contact. In the meantime, however, there are instances where advisers handling general enquiries are unable to update customers about the progress of their applications, the subject that generates the largest number of enquiry calls. Because they do not yet share access to the same IT systems, staff pass the enquiry on in hard copy to an adviser who has the necessary system and information access for them to call the customer back.

Do the Department and its agencies reduce the information burden placed on the customer?

3.14 The Pension, Disability and Carers Service has taken some steps to simplify the benefits payments made to customers. The IT system supporting the Pension Credit application process allows operators to pull in and check a range of other information on the customer held by the Department, especially on benefits payments already being made. An award of Pension Credit also allows advisers to arrange for other benefits to be rolled up into a single weekly payment. For instance, if someone is already being paid State Pension and Attendance Allowance and now gains Pension Credit in addition, all three benefits can be combined into one weekly payment. This process saves the Department transactions costs, and its simplicity was appreciated by customers in our focus groups. Some customers were concerned, however, that the Pension, Disability and Carers Service does not always communicate this process effectively, meaning that they are left confused as to what benefits they receive. With effect from April 2009 the Department is rolling out a new customer statement (the Pension Credit Award Notice and Statement of Details), which it designed with input from pensioner customers and third party organisations, and which will show a financial breakdown across a customer's benefits.

PART FOUR

Attendance Allowance

4.1 **Figure 15** sets out the key characteristics of Attendance Allowance.

4.2 The information exchange processes involved in making a claim for Attendance Allowance are shown in **Figure 16 overleaf** where the solid arrows show the main routes used, and the dashed arrows show subsidiary routes. Appendix 2 gives a more detailed explanation of what is involved.

Is it easy to find out about Attendance Allowance?

4.3 In 2003, the Commission for Social Care Inspection estimated that the take-up for Attendance Allowance was between 40 per cent and 60 per cent of those eligible. The take-up rate for Attendance Allowance is still thought to be lower than for other benefits. The number of applications has not increased significantly in recent years **(Figure 17 on page 31)**. The Department does not have a target

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15 The key characteristics of Attendance Allowance

Attendance Allowance is a tax-free benefit for older people aged over 65 years who need help with personal care because they have a physical or mental disability. There is a higher and lower rate of the benefit, depending on how much the person's disability affects them.

Key details	2003-04	2004-05	2005-06	2006-07	2007-08
New Attendance Allowance claims awarded (000s)	327	309	322	310	306
Total Attendance Allowance decisions made (000s)	417	392	408	388	374
Existing Attendance Allowance customers (000s)	No data	1,570	1,631	1,669	1,697
Attendance Allowance e-claims (000s)	No data	No data	0	3	5

Key details	2007-08		2007-08
Average weekly value per payment	£56.89 (May 2008)	Decisions reconsidered (000s)	18
Claims rejected (000s)	68	Decisions appealed (000s)	7
		Average cost of handling one claim	£64
		Direct costs only, of handling one claim	£34

Source: National Audit Office analysis of Department for Work and Pensions data

NOTE

The figures given are for claims made for Attendance Allowance under Normal Rules. In a small proportion of cases, where the customer's life expectancy is less than six months, it is possible to claim Attendance Allowance under Special Rules that minimise the processing time.

for take-up of Attendance Allowance, but it is currently reviewing take-up rates to better understand awareness levels, customer understanding of the benefit and to identify eligible customers. The Department recently commissioned independent research into issues affecting take-up of Disability Living Allowance, and has now established the feasibility of extending this work to cover Attendance Allowance.

4.4 One of the most important ways the Pension, Disability and Carers Service seeks to ensure that people eligible for Attendance Allowance are claiming it is through the visits that Local Service advisers make to many customers within the target audience, when they are able to discuss their eligibility for a range of benefits and entitlements. The number of claims for Attendance Allowance taken by the Local Service

16 The main information exchange stages in the process of customers applying for Attendance Allowance
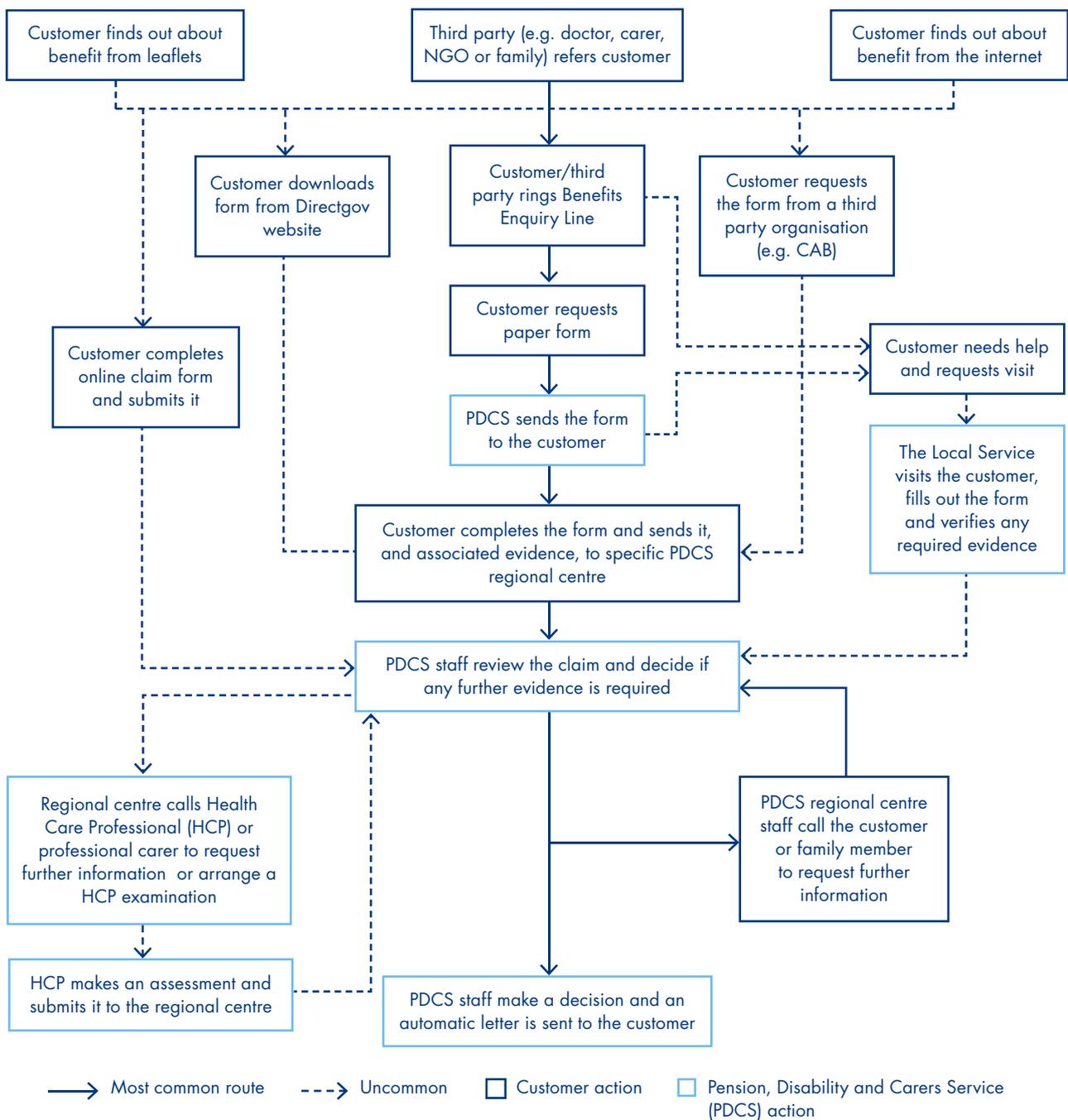
Source: National Audit Office

increased from 72,000 in 2005-06 to 108,000 in 2007-08. The Department's communications campaigns aim to cover multiple benefits relevant to this customer group rather than specifically to promote take-up of Attendance Allowance.

4.5   In our user experiments, people found it particularly difficult to find the eligibility criteria for "benefits to pay for a carer at home" online, with 42 per cent getting the incorrect answer and 45 per cent of those who answered correctly taking more than five minutes. Enquiries direct to the Pension, Disability and Carers Service show better results. The Department's own mystery shopping exercise shows that its assessors received correct answers to four fifths of their queries about Attendance Allowance, using all communications channels (including email, internet, face-to-face and post).

4.6   One of the problems with Attendance Allowance is that people find the name confusing and unclear. Our focus groups showed that the name is widely misconstrued by older people as requiring attendance by the applicant at an old people's centre. Analysis of the mistakes made by Directgov visitors looking for information about Attendance Allowance in November 2008 also shows that they tried looking for it using 25 different variants of the name.

17	Changes in the take-up of Attendance Allowance since 2002	
	Mid-2002	**Mid-2006**
Attendance Allowance cases in payment (millions)	1.50	1.65
Attendance Allowance cases as a proportion of the population over 65 (per cent)	16	17

Source: National Audit Office analysis of Department for Work and Pensions data

NOTE

Customers who are already receiving Disability Living Allowance before they are 65 will continue to receive it, rather than Attendance Allowance, after retirement.

4.7   There is evidence that take-up is particularly low among at least one specific group. The Commission for Social Care Inspection estimates that around 37 per cent of older people in care homes are completely self-funding, rising to 59 per cent who fund some part of their care privately.[13] Very few applications, however, come in from elderly people in care and nursing homes who are funding themselves, suggesting that people in this situation (or their representatives) do not know that they could be eligible for benefit. This lack of awareness may also apply to other groups within the eligible population.

Is it easy for customers to make their initial application?

4.8   In 2003 a previous National Audit Office study *Difficult Forms* (HC1145, Session 2002-03) was critical of the length and difficulty of the Attendance Allowance form. The form had two parts, one of 35 pages and the other of 25 pages, and asked customers to fill in 10 pages of the same information on both parts. Since then, the Attendance Allowance form has changed twice. In 2003, a shorter form was released, which reduced the burden on older people to describe their own condition. The form was shortened further in 2007, requiring customers to give briefer details on illnesses and disabilities and fewer contact addresses for other people. The current form now has 80 questions and runs to 29 pages.

4.9   Charities and non-governmental organisations believe that there is still scope to reduce the length and complexity of the application form. Our own assessment of the form showed that it is sometimes difficult for customers to understand what information the Department uses to make its decisions. Applicants must list medications and the length of time they have been on them. Many applicants, however, post in prescription lists that do not include this information. The Department's user testing found that a third of welfare representatives estimated that they would not be able to complete the new form in less than two hours. The version of the form available online is different from the paper and electronic PDF versions. It requires more information, such as the length of time customers have been on each medication they have listed, and takes longer to complete.

13   Commission for Social Care Inspection (2007) *Self-funded social care for older people: an analysis of eligibility, variations and future projections*, p8.

The quality of communication after the initial application

4.10 Call centre staff do not have access to all the information needed to answer customer queries about their claims effectively. The current process for Attendance Allowance applications is entirely paper-based, with applications submitted electronically being printed off, and thereafter treated exactly as paper forms. Electronic versions of applications submitted are not stored. Once a decision has been made, the paperwork is sent to a remote storage facility. The computer system available to the call centre frontline staff only holds the more basic details of Attendance Allowance claims, such as the claimant's personal details and codes for the disability and decision that have been recorded by the decision-maker. Queries relating to applications will be answered by frontline agents wherever possible, but depending on the subject of the enquiry some customers will be transferred to specialist staff, and some will have a call back scheduled within 48 hours. Thus, although the Department's ongoing customer survey suggests that 80 per cent of customers rated the service as "Very Good" or "Excellent", there are nonetheless further opportunities to improve the customer experience.

APPENDIX ONE

Scope and methodology

1 We used the following key questions for our analysis:

■ How easy is it for Department for Work and Pensions customers to find out how and where to claim benefits and what information they will be required to submit?

■ How straightforward is it for citizens to submit information to the Department by their preferred channel (face-to-face, telephone, paper forms or online)?

■ What is the quality of information provision by the Department both during and after application?

■ Does the Department make maximum use of the information provided by benefit applications to make subsequent contacts easier for customers?

In order to be able to provide a detailed picture, we focused on three case study benefits: Attendance Allowance and Pension Credit for the older age group of customers, and Jobseeker's Allowance for working age customers.

2 In part, the report also follows up and assesses progress on key themes from two previous National Audit Office studies:

■ *Difficult Forms* (HC 1145 Session 2002-03, October 2003). This study found that information collection through forms could be difficult for customers because forms were often designed around administrative structures rather than ease of use. Attendance Allowance was one of six major forms covered; and

■ *Using leaflets to communicate with the public about services and entitlements* (HC 797 Session 2005-06, January 2006). This study underlined the importance of accurate and complete information about benefits being easily available to Department for Work and Pensions customers.

3 The research for this report is based on six main methods:

i Site visits to the offices of Jobcentre Plus and the Pension, Disability and Carers Service.

ii Focus groups with benefit customers and with stakeholder organisations.

iii User experiments.

iv File analysis of recent customer files for three major case study benefits.

v Interviews with key individuals in the Department and its Agencies.

vi Background and comparator analyses.

We discuss each in turn below.

Site visits

4 We visited local offices and decision centres to see how information exchange took place between the Department, its Agencies and its customers. At relevant sites, we were given access to customer files in order to complete the customer file analysis (discussed later). We would like to thank all those Department for Work and Pensions staff who helped to arrange and facilitate these visits, plus all the staff who gave us their time and shared their expertise during the visits.

5   We visited the following sites, usually for a whole working day per site:

Jobcentre Plus:

Chippenham Benefit Delivery Centre;

Poole Contact Centre;

Southall Jobcentre Plus office; and

Stratford Jobcentre Plus office.

Pension, Disability and Carers Service:

Disability Contact and Processing Unit, Blackpool;

Leicester Pension Centre;

Newcastle (London) Pension Centre; and

Seaham Pension Centre.

6   Site visits were undertaken by teams of four or five researchers and lasted for one to two days per visit. We met with site managers to get an overview of how information exchange took place within the relevant part of the process. We also interviewed frontline staff, (e.g. call operators, decision makers, appeals staff), to get detailed experiences about how information exchange works within each Agency. We also discussed with them how the process could be improved. At relevant sites, we completed analysis of a random sample of 100 recent customer files for each of three benefits – Attendance Allowance, Pension Credit and Jobseeker's Allowance – and checking through each application in detail with a staff member. In this process we sat in with and discussed cases in detail with 48 front line staff, drawn from across the two agencies and spanning across frontline offices, contact centres and benefit delivery centres.

Focus groups

7   We ran three in-depth focus groups with benefits customers and the general public during the fieldwork for this research and two 'elite' focus groups with non-governmental organisations and charities in the social security field. We are most grateful to all those who took part in these lengthy and detailed sessions.

8   Two conventional focus groups were undertaken with current benefit recipients contacted via a professional market research company in a dedicated viewing facility in Sutton Coldfield. In the Pension Credit group, six participants discussed with us how they had found out initial information about the benefit, how they had applied and what interactions they subsequently had with the Department. We also discussed ways that information exchange could be improved. In the Jobseeker's Allowance group, nine people attended and the questions followed a similar format. Both groups ran for 90 minutes and were videoed, audio recorded and comments transcribed verbatim.

9   Our third focus group used a 'hybrid' format and formed part of our preparations for undertaking user experiments on online search behaviours. Here nine participants were given 45 minutes to answer a number of benefits-related questions using the internet in a computer laboratory, and another 45 minutes to discuss their experience using the internet to find benefits-related information. During the computer session, participants were paired up and their conversations were recorded; screen shots were taken of the sites they visited. The focus group session was also recorded and transcribed.

10   We ran two focus groups for senior personnel from stakeholder organisations representing working age people and representing people over 60. Where representatives were not able to attend the focus groups, we arranged phone or face-to-face interviews. The organisations taking part (sometimes in both groups) were:

Age Concern, England

Carers UK

Consumer Focus

Help the Aged

Local Government Association

Mind

Refugee Council

Royal National Institute for the Blind

Voluntary Organisations' Disability Group

Working Families

User experiments

11   We conducted a laboratory-based user experiment to investigate how people seek and find information about benefits online. The aim was to find out how easily and where potential claimants find relevant information; whether differences can be observed between various benefits; whether they find the information more quickly if they use a search engine or the cross-governmental site Directgov; and how provision of benefits-related information compares with similar provision in another country (Australia) and provision of information about other UK government services (passport applications and tax credits). We thank the 80 people who took part in the experiment. Our sample contained a strong representation of unemployed people, people on low incomes, and people from an Asian ethnic background.

12   Participants in the laboratory were presented with a total of 20 questions (including one practice question) relating to different scenarios that the Department's prospective customers might face, via a custom built online interface. Subjects were asked to choose the correct answer from a range of multiple-choice options, based on information they found on the internet. They were also asked to provide the URL of the webpage from where they obtained the information. Questions were designed to involve finding information that might be needed by people considering applying for Pension Credit; Attendance Allowance; Jobseeker's Allowance; Maternity Allowance; other government services (tax credits and passport applications) and the provision of benefits-related information in Australia, while a final question asked subjects to use a benefits adviser.

13   We used two experimental 'treatments' to explore differences in subjects' behaviour when using search engines, and when using the Directgov website and other government websites. Participants were randomly assigned to treatment and control groups. In general the control group was allowed to use any search engines or other websites that they liked, while the treatment group was started off in www.direct.gov.uk and restricted to the use of government sites. Subjects were incentivised via payment which consisted of a basic turn-up fee and an amount per correct answer. The total time limit for all questions was 70 minutes. Subjects could skip questions if they found they were taking too long but could not come back to previous questions. When they had finished the experiment, they were asked to complete a post-experiment questionnaire which provided information on their socio-demographic profile; level of internet skills and experience; and whether they were claiming or had claimed any of the benefits about which they were asked.

14   We recorded the answers of our participants to the questions and logged all the web sites they visited and search terms used during each search made, as well as the time taken and number of mouse clicks for each question.

Customer file analysis

15   For our case study benefits, we made a detailed study of 100 files that were randomly sampled from files available at our site visits. Cases were strictly anonymised as to name and address, but we recorded information about demographics of each customer, the time taken for applications to be processed, the number and methods of interactions between the Department and the customer.

16   For Attendance Allowance, we were given access to cases where decisions had been made during the days leading up to our visit. Detailed customer files are kept in paper format and so we worked through hard copy files using code sheets provided by the decision-making staff.

17   For Jobseeker's Allowance, we worked through a sample of customer files for successful applications decided on one day (22 November 2008) that had been made at the Benefit Delivery Centre we visited. We chose this date to try to pick up any additional contacts or challenges to decisions that may have been made in the three weeks until our visit in early December. Again, files were paper-based. In addition, on our visits to local job centre offices we sat in on a range of interviews with different types of customers and discussed in detail with operators how information was recorded, the processes being used and the main problems or variations they encountered across customers and with IT systems and processes.

18   For Pension Credit, we worked through a sample of files, this time held electronically on the CAM system (although with frequent references to information held on the legacy system also). We chose a random sample from decisions that had been made in the week of our visit, approximately a quarter of the weekly workload for the Pension Centre we visited. To access correct information from the electronic files, five researchers each worked with a trained CAM operator to access an average of 23 pieces of information about each customer selected. In this process researchers also extensively discussed the operators' experience of similar or different cases, the processes being followed and the ways in which the information was supplied and recorded in the IT systems being used.

Interviews with key officials in the Department

19 We conducted interviews with senior staff within the Department and the two Agencies, including:

- from the Department for Work and Pensions, the Strategy Director;

- from the Central Communications Directorate, the Head of Entitlement and Responsibility Group,

- Head of Public Information, Head of Digital Media;

- contacts from the Department's Change Programme and strands including the Tell Us Once Programme, the Self-Service project strand, and Transforming Customer Contact;

- contacts from the Risk Assurance Division (the Department's internal audit group);

- from Directgov, the Chief Executive Officer of Directgov; and

- representatives from each of the Agencies including Head of Benefits and Services for Jobcentre Plus, the Pension, Disability and Carers Service, the Customer Materials and Procedures Lead, and managers from the Change and Transformation Directorate.

Background analyses and comparators

20 We completed a literature review from academic and stakeholder group reports on information exchange in the Department of Work and Pensions and benefit systems more generally.

21 We undertook a census of the forms for each of the 11 major benefits administered by the Department (excluding Employment Support Allowance which was launched in October 2008 after we had completed our census). We recorded exactly what information is requested on each form, and looked across all the forms to assess what information was potentially already available to the Department from customers' applications. Lastly, using guidance produced as part of the *Difficult Forms* (2003) study, we made an assessment of the difficulty of the forms.

22 We undertook extensive internet research on comparator social security systems, looking especially at Service Canada in Canada and at Centrelink in Australia and we examined OECD reports on international progress in social security systems. In our user experiments, we asked participants to try looking for immediately understandable and comparable information on the Australian site, and we compared their views of the UK and Australian sites. We also objectively recorded how accurately and how quickly participants found information on the Australian site and compared with their performance on similar information items for the UK government websites.

APPENDIX TWO

Detailed explanations of the main information exchange stages in applications

We give here a more detailed explanation of how customers can currently make applications for the main benefits studied.

Jobseeker's Allowance applications

Making a claim for Jobseeker's Allowance involves six main information exchange stages:

1a The customer phones a Jobcentre Plus application line (the most common route), calls in at a Jobcentre, or (least commonly) contacts Jobseeker's Allowance by mail to find out how to begin a claim. He or she is given a phone number to ring. Customers are encouraged to use their own telephone to do this, but Jobcentres also provide designated phones which can be used to ring the contact centre.

2 The customer next rings the contact centre number and goes through all elements of their claim with an agent by phone, on average, for 29 minutes. At the end of this time they are told what documentation is needed and given an appointment time at a local Jobcentre Plus office.

1b Alternatively, customers can register their interest in applying for Jobseeker's Allowance online where they also complete the basic or initial details of a claim and submit them electronically. In October 2008, 32,680 applications were initiated in this way, demonstrating the popularity of simple-to-use e-applications processes.

2 In this case, some time later a call centre operative will follow up on the registration of interest, confirm the information that already has been given, obtain any other necessary information from the customer, and book an appointment at a local Jobcentre Plus office.

3 The customer attends the Jobcentre Plus office for an initial interview. This is split into two sessions: with a Financial Assessor for around 20 minutes, who checks all the documentation requested; and a Labour Market Adviser for around 40 minutes who discusses their job seeking strategy that will form part of the Jobseeker's Agreement they will sign and be expected to work to. They also inform them what day to attend their local Jobcentre Plus office for their fortnightly job review. There are specific advisers for Lone Parents and disabled customers.

4 Wherever feasible, the information collected from customers at each stage is passed on electronically to a Benefit Delivery Centre (BDC) responsible for deciding on applications, along with a hard copy summary of the first contact call and the customer's signed application. The BDC staff will make a decision on whether the customer can be awarded the benefit and will advise the customer by mail of their decision.

5 Every two weeks the customer attends their nearest local Jobcentre Plus office for a job-search review, seeing an adviser for around 5-10 minutes and showing evidence of job search – usually three adverts for positions applied for. Repeated failure to attend a session, show evidence of job-seeking, or even being late for the appointment time may trigger a referral to a decision-making team which considers whether to discontinue paying Jobseeker's Allowance for a period of weeks.

6 After 13 weeks the customer must see a Restart Adviser for a one-hour session to review their job seeking strategy and to consider if different training, work placements, a new strategy or being shifted over to an employment agency working with Jobcentre Plus would be more successful. These interviews are also held at 26, 52 and 78 weeks where an applicant has still not found a job. Applicants may also be asked to attend job reviews weekly if their job-seeking efforts are seen as insufficient.

Pension Credit applications

Making a claim for Pension Credit involves four main information exchange stages:

1a The customer phones the Pension Credit application line anytime between 8am and 8pm. Even where customers intend only to make an enquiry, they can be given a quick estimate as to whether they might be eligible. If so, customers often go on to make a full claim at their first contact. The adviser explains that an application will take around 20 minutes to complete and asks if they would like to make the application immediately. Most customers opt to take this course, but a few ask to be rung back at a more convenient time. The adviser takes the customer's National Insurance number and asks a set of three security questions that are designed to ensure that the customer is who they say they are. However, some customers have difficulties in answering some of the questions, such as the date of their marriage. Also, for customers with language difficulties, or for those who have asked a family member to make the call for them, they still have to answer the security questions themselves. The adviser then works through the application using specifically designed software (called CAM) that follows a rule-based engine approach. The CAM also interfaces with the Department's much older legacy system (dating back to the 1980s Operational Strategy) and with the Department's 'spine' the Customer Information System, mainly in order to draw details of other benefits that the customer may be receiving. In addition the customer will also be asked about what other money they are receiving in income or pensions, whether they own properties or have been self-employed until recently, and how much money they have in bank accounts, shares or investments. If a customer has none of these complicating factors, is mainly in receipt of other benefits and has a low level of money coming in then it may be feasible for the adviser using the CAM system to come to a decision towards the end of the 20-30 minute call that the customer qualifies for Pension Credit and to calculate their entitlement without the customer needing to provide paper verification or documentation. These are called 'sunny day' cases by the PC advisers and valued because the whole case can be resolved within one phone call: they account for about one fifth of all calls. Customers are also allowed to have up to £6,000 in savings before they need to provide verification documents. The approach of PC advisers is to believe what customers say to them unless there is some factor about the case that creates grounds for suspicion – such as the customer having difficulties answering the security questions, giving inconsistent answers, or living in one area but wanting payments made to an account elsewhere (often an indication of a fraudulent claim). Any case arising suspicions can be passed to a specialist section for further investigation.

3 Because information is being entered into the IT system as the claim is being made, the straightforward or 'sunny day' cases can go directly to stage 3, where customers are advised by mail of the decision to grant them Pension Credit for a fixed period and of the amount. Where customers do not envisage changes in their circumstances, this fixed period is five years. System generated letters can take up to 10 working days to reach customers.

2a For all other phone customers with more complex affairs, around 80 per cent of cases, the adviser requests to see documentation covering their financial position. The most commonly asked for proofs cover income, mortgage payments and details of savings and investments, plus marriage certificates or proofs of living with a partner. At the end of the call, the adviser will outline which documents customers need to provide and will also send a letter with this information and a pre-paid envelope. Letters can take a week to reach advisers when they arrive at the Pension Centre. Documents are photocopied and returned using secure post. Customers have one month to return documents, and the CAM system will trigger reminders at two weeks and then a final reminder at one month after which if nothing is received the case will be closed and the application lapses. However because of delays to system generated letters, these deadlines have been extended to three and six weeks, respectively. Many customers are reluctant to send valuable documents in the post and an alternative possibility is for them to take documents to a place where they can be verified and forwarded to the contact centre. The Pension, Disability and Carers Service has over 400 'alternative office' sites such as Citizens' Advice Bureau, Age Concern and other organisations' contact points where members of staff attend at a convenient or well-known location, and charities told us that when this is a regular commitment, these services are well used. However, where staff only visit for short times or on irregular days, they are less useful. Until recently, customers could also be advised to take documents into Jobcentre Plus offices. However, in more recent times some Jobcentre Plus offices no longer offer this service, and the ones we visited said this service was rarely used. It seems difficult for Pension Credit advisers to provide good information to customers on where document verification is available in their locality.

3a Once documentation has been received at the Pension Centre, it will be directed to the original adviser that took the call. They make a decision on the case and a notification of the decision and the amount awarded is sent to the customer.

1b   Alternatively the customer may ring up the contact centre and ask for a Pension Credit application form to be sent to them in the mail, or they may be supplied with a Department for Work and Pensions printed form by a charity or non-governmental organisation. Forms can also be downloaded as PDFs and printed off for filling in by hand, but these are rarely used. Despite the Department's encouragement to customers to use the phone service, a very large minority (37 per cent) of applications still come in on paper forms, although many of these currently come in via the Local Service that visits people in their homes (see below). For mailed-in forms, the adviser enters the case on the computer system in the same sequence as used in live calls. In fact this a fairly difficult thing to do. It involves the adviser doing a lot of checking of different sections of the printed form, whose questions are in a completely different sequence to those used in the phone call cases.

2b   Mailed-in forms may come with the necessary documentation, or the adviser may need to mail out to the customer asking for them to be sent in. When this stage is completed (as above) the cases can be decided and the customer notified.

1c   The final route in for applications occurs where the customer has been visited at home by someone from the Local Service, usually because the person has been referred by a care worker or charity or is judged too ill or frail to be able to cope with the phone application process. A local visit can also be triggered by an adviser who feels during a phone application that the customer is not coping well the phone process. The Local Service adviser can also check the documentation for the customer in person while they are with them, and so in this case once the form is entered on the CAM system an immediate decision can be made and the customer notified of the decision and any entitlement to benefits. It generally takes a minimum of two weeks for a local visit to be organised and often up to a month. There is sometimes a problem with the first contact date not being recorded properly by the Local Service. This can affect the date to which the customers' benefit can be backdated.

2c   Where customers phone up or submit a form and it is clear that their case is financially complicated, or there are grounds for suspecting incomplete disclosure, an adviser can also request a local visit be made to check the documentation in situ. Local visits are routinely used for all self-employed people (to check income details) and for people with more complicated mortgage or private sector housing costs. Again it takes at least two to four weeks for a visit to be made, but in compensation the customer's documents are verified immediately – so there is no mailed-in documentation, which may well take 10 working days to move through the Department's complex internal mail arrangements. So visited customers can move directly to the notification stage.

4   Where the customer does not envisage that their circumstances will change, Pension Credit awards are fixed for five years. If a customer has a change of circumstances, the Department will only make changes that are beneficial for the customer. If a shorter period has been set for Pension Credit, then changes will only be updated at that fixed date. At the end of the fixed period, the Pension Credit entitlement will be reviewed, which will mean advisers phoning or writing to customers to check on their situation. At this point a customer with too much other income could see their benefit reduced.

Attendance Allowance

Making a claim for Attendance Allowance involves four main information exchange stages:

1a   Most customers begin their application for Attendance Allowance by phoning the Pension, Disability and Carers Service and asking that a paper form be sent to them. A form will be sent to the customer within 10 working days (two weeks). If a customer's condition is considered terminal, they can apply under 'special rules' which means that their claim will be processed quickly.

1b   The same form is also available to be handed out via third party organisations, such as local authorities and organisations like Citizens' Advice Bureau and Age Concern. The Department has significantly reduced the places where Attendance Allowance forms are available in recent years as a result of the 'leaflets review' designed to ensure that only up-to-date forms are available.

2a   Customers must then complete the form, often with help from a family member or care worker, and post it back to the Pension, Disability and Carers Service along with any documents the customer feels is important. These typically include prescriptions and hospital letters.

1c   Customers can also download the Attendance Allowance form in a PDF version from the Directgov website. The form comes in a print-only version, or in a version that can be filled in on the customers' computer and then printed off to send to the Department. From April to October 2008, the Attendance Allowance form was downloaded 151,000 times (that is, around 19,000 times per month). The Department does not record how many PDF versions of the form were received. The PDF can also be emailed in to the Department, but in this case the form is printed off and processed manually in the same way as any other mail or PDF form. The PDF version is not saved electronically.

1d It is possible, although uncommon, for a customer to apply for Attendance Allowance online via the Government Gateway. At present, only 4,800 forms per year (just over one per cent of applications) come in via this route.

1e The Local Service took 108,002 applications from older people who are referred to them for visits (usually by family, care workers or charities) in their own home. The visitor fills in the form for them on paper and verifies any documents needed on the spot. Perhaps because these are the most frail customers, because the paperwork reaching decision-makers is most complete, and because decision-makers trust the visitors' judgements, forms submitted via this route have a near-100 per cent likelihood of being approved.

3 When the form reaches the Pension, Disability and Carers Service, a customer file record is built on the legacy system (containing only a few basic details of the application) and the case passed to a decision-maker. The decision-maker will work through the form and see if all the information they need is available. If not, they will call either the customer or a representative (usually a member of their family) to clarify details given on the form. They may also ask other people for more details on how the older person's condition affects their day to day life. There is space on the forms for customers to give details of a GP, a hospital doctor and a social or care worker. However, in the majority of cases these additional people are not contacted.

4 Once a decision has been made on the claim, codes for the decision and the disabilities of the customer are recorded on the computer system and a letter is sent to the customer (the target is within 16 days after receipt of the paper form). Customers who have been awarded the higher rate benefit are notified. If a customer has applied for the higher rate benefit, but only been awarded the lower rate a short explanation will be given about why this was the case. If a claim has been rejected, no reasons are given to the customer. The overall approval rate for Attendance Allowance is 80 per cent (from April 2005 to March 2008), so nearly five out of six customers are approved.

For the sixth of cases that are not accepted, two further information exchange stages apply:

5 If they are unhappy with the decision, a customer can ring the Pension, Disability and Carers Service to ask for more details. A customer who remains unhappy can request that their claim be reconsidered, and they have one month to submit this. In response, a second tier decision-maker will look at the case documents again to assess whether the decision is correct or not and let the customer know the outcome. There were 17,800 reconsiderations requested in 2007-08.

6 Finally, if an unfavourable decision is upheld on review, customers can also still appeal, which 7,003 did in 2007-08. In around 50 per cent of cases the customer's appeal is upheld and Attendance Allowance is awarded by the Social Security tribunal. The Department's target to respond to an appeal is 35 days. In 2007-08, it took 28 days to issue a copy of the appeal and documents to the Tribunal Service. Cases were then with the Tribunal Service for 60.5 days. Decisions were implemented in seven days. And although benefits are backdated for a successful appeal to the original date, the customer has obviously gone without the money involved in the interim.