

## Review of the structure of the Jobcentre Plus Business Delivery Target

By GHK Consulting Ltd

The report reviews the structure of the Jobcentre Plus Business Delivery Target (BDT). The BDT is a brigaded target containing five, equally weighted, elements covering the accuracy, efficiency and standards of specified business processes.

The aims of the exercise were to canvas policy, operational managers and staff views on how BDT operates in the field and to consult on suggestions for changes to the current target structure through to 2006/07.

The consultation was a two stage, qualitative process. Stage one consisted of interviews with some thirty National and Regional Tier representatives of DWP and Jobcentre Plus. Stage two involved interviews and focus group discussions in each Region/Country, in one processing centre and in two contact centres. In all, 165 staff participated in this second stage, 54 per cent were managerial grades, the remainder from customer facing and processing staff.

### Key findings

- At national and senior management levels there was recognition of the BDT as a whole; while customer-facing staff tended to focus on discrete components of the BDT that relate specifically to their roles.
- Almost all participants pointed to a need for some change to either the BDT or some dimension of its components. Those suggesting changes at the margins saw the BDT as a critical accountability measure, reflecting the key business processes of Jobcentre Plus. Those who recommended more radical change were concerned that the responsibility and accountability structures of the new business model for did not align well with delivery of the BDT.
- A need for improved communication was identified specifically around topics such as: clarity on the purpose of the BDT, its structure and how it links to achievement of the business objectives; the rationale behind the planning assumptions within the BDT; the purpose of the QS audit, its validity and its limitations for operational performance management; how the target levels are measured; and the specific role Jobcentre Plus plays in contributing to the Basic Skills Agenda.
- It was suggested that as a composite target, BDT limits the profile of important dimensions of the business, especially accuracy.
- Further research into structural reasons behind the recurrence of common errors was suggested. As was a call for more timely accuracy performance information.
- Suggestions were made for the simplification of Labour Market Interventions and the extent to which there was scope for further performance improvements.
- The call was for Jobcentre Plus to fully explore the contribution it can have on the skills agenda and the service offer for customers with basic skills needs, and then to build an end-to-end business process target around these.

- More than any other part of the business, investment in staff skills and effective IT systems were viewed as offering the potential to improve achievement of the BDT.

## Executive summary

### Introduction

Jobcentre Plus' Target Strategy Team and the Department of Work and Pension Work, Welfare and Equality Group commissioned this review of the structure of the Business Delivery Target (BDT). The specific aims of the exercise were to canvas policy, operational managers and staff views on how BDT operates in the field and consult on their suggestions for changes to the current target structure through to 2006/07.

The Business Delivery Target (BDT) is part of the Jobcentre Plus target structure. The BDT differs from the other targets in that it is a brigaded target containing five, equally weighted elements covering the accuracy, efficiency and standards of specified business processes: the accurate processing of claims for Income Support (IS), Jobseekers Allowance (JSA) and Incapacity Benefit (IB), JSA Labour Market Interventions and follow-up (LMI) and attendance at a Basic Skills Independent Assessment following referral.

Interviews and focus groups were held across all relevant policy and operational levels within Jobcentre Plus and the Department for Work and Pensions between February and June 2004.

### Overview of the BDT

The interviews revealed several different perceptions of the value of the BDT. Some participants view the target as the embodiment of the service offer to all customers, reflecting the concept that *"the process is the policy"* and, as key business processes, is the one target that lies entirely within the control of Jobcentre Plus to deliver. Others believed that the Jobcentre Plus targets should focus on outcomes, rather than processes and as such the BDT had little value as a high level target. Here the BDT is perceived as a management tool rather than an

accountability measure. The perception of a third group was based on their understanding that the original purpose of the BDT, was to reflect both sides of the legacy businesses (Employment Service and Benefits Agency) and an integrated service offer for clients.

At all levels there is significant variation in the way in which the purpose of the BDT is understood. The focus on the BDT narrows as one moves through the organisation from National Tier towards customer-facing staff. At the National Tier there is recognition of the BDT as a single composite target, customer-facing staff focus on the discrete components of the BDT related to their job.

### Managing the BDT

At an operational level, District Managers have responsibility for the delivery of the BDT. Management of the BDT tends to be by element rather than as a whole through the operational managers of the relevant commands and the development of specialist networks focusing on learning and performance improvement for each element. Historically, BDT is managed as a whole where there are concerns about meeting the target overall.

Observations by managers and staff included:

- There is a mix in the BDT target of audit measures for accountability purposes and performance measures for management purposes, each with different measurement regimes raising questions about the validity of aggregating the target elements and taking an average score.
- Questions were raised as to the 'fit' between the key business process elements of the BDT and the inclusion of the basic skills element.
- Questions were raised about the way elements, accuracy in particular, are measured, both in relation to the methodology and the timeliness of reports.
- The changing structure of the organisation, an increase in inter-dependencies and the number of hand-offs between commands,

raised questions whether District Managers could control all the component parts for delivering the BDT.

- Headcount constraints and staff turnover mean there are issues with regard to the deployment of resources and the skills.
- The supply of management information (MI) is not timely nor sufficiently informative for decision-making
- The IT systems do not sufficiently support achievement of the BDT.

### *Suggestions for changes to the BDT*

Almost everyone consulted suggested that there was a need for some change to the BDT. For some, the suggestions were quite radical, including dropping the target altogether; others made suggestions for changes at the margins.

Those that were least likely to recommend a radical change were of the view that the BDT reflected the key business processes of Jobcentre Plus and is the critical accountability measure.

Of those recommending more radical change, their suggestions appeared to emerge from questioning whether the BDT adequately reflected the new business model and whether the accountability structures for BDT were still valid.

Many of those consulted suggested that the design of any future changes should be undertaken on an inclusive basis across the organisation.

### *Suggestions for changes to the BDT elements*

#### *Accuracy*

- Rather than changing the accuracy targets it was suggested that immediate value added could be achieved by better use of the information highlighted by the Quality Support Team on common errors. Further investigation

should be undertaken to explore if there are 'structural' reasons behind the recurrence of the same errors.

- Not all staff seemed to appreciate that the Quality Support Team visit is an audit tool that feeds into Jobcentre Plus assessment of accuracy and into the resource accounts, and that dropping its application would not be possible.
- Whatever changes are made it is a widely held view that there must be an ability to provide prompt feedback on accuracy. The local checking process should be encouraged in order to offer targeted technical assistance and training to staff.
- More radically, the suggestion was made to replace accuracy elements with end-to-end process targets that are attributable to specific commands – measures would include both speed and accuracy.
- It was suggested by a number of staff that there is a need to consider the alignment and potential overlaps between the accuracy measures and MVFE.

### *Labour Market Interventions*

- Explore the scope to simplify the LMI process and associated measures.
- Explore the extent to which there is scope for further improvement to the level of achievement for LMI. What level of error is always likely to occur from human error? What would be the marginal cost of an additional one per cent rise in performance?
- Move LMI to a KMI or incorporate it into the Job Entry Target and it with a part of the process that needs close monitoring. Although it should be noted that other participants expressed concern that this would result in a lack of attention to LMI with a drop in performance.
- Consider how a measure of the 'quality content' dimension of the LMI process could be reflected in a target, in particular a measure of distance travelled.

## Basic skills

- Assess the contribution that Jobcentre Plus can have on the skills agenda and the service offer for customers who have a basic skills need; then, build an end-to-end target incorporating the existing KMI.
- An alternative view was to drop basic skills as a Jobcentre Plus target. The view was that the basic skills agenda, while important, saps valuable resources from Jobcentre Plus and impedes its ability to provide its key business delivery elements rather than facilitate it. A view that runs counter to Government policy.

## Concluding remarks

- The need for high-level business process targets is recognised but how this then translates into the composition of the BDT is not clear. In particular, the inclusion of the basic skills element tends to dilute the 'key business processes' message. Any future changes need to address the internal consistency of BDT.
- The overall target is not used to drive-up performance standards in any particular element across the network and it is felt that the composite measure in particular 'hides' accuracy and the direction of movement on the accuracy targets compared to its stand-alone status when it was a Benefits Agency target. As such we would recommend not averaging scores across the BDT, but rather reporting on BDT as a basket of measures and listing the performance of each separately.
- Effective communication appears to be an issue on a number of fronts and needs to be addressed. Specific topics that would benefit from enhanced communication include: the purpose of the BDT, its component parts and how they link to achievement of business objectives; the rationale behind the planning assumptions; the purpose of the QS audit process, the validity of the method and its limitations for performance information; how the target levels are measured; the role of

Jobcentre Plus in contributing to the basic skills agenda.

- Skills were generally identified as a barrier to effective achievement of the targets. On the benefits side, it may be worth considering the relative trade-off between the costs of recruiting and training in anticipation of turnover and the costs associated with official error.
- There should be close monitoring of the hand-offs in the new organisational structure and the extent to which they affect both achievement of the targets and accountability structures.
- More than any other part of the business, it would seem that greater investment in effective IT systems has the potential to improve achievement of the BDT.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84123 790 6. Research Report 233. February 2005).

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