



CabinetOffice

Service Transformation Agreement Progress Measure 1 - Reducing Avoidable Contact

**Improving service delivery, minimising waste and harnessing
technology**

July 2009



Introduction

In June 2009 HM Government published its paper [Building Britain's Future](#), in which it set out the actions it is taking to move the UK from recession to recovery and how it will forge a new model for economic growth. This paper reaffirmed the Government's commitment to building the next generation of public services, further raising standards for all and ensuring services are personalised and accessible. Building Britain's Future and the Budget 2009 also set out how over the next three years the Government will build on the efficiency savings generated over the last ten years to deliver an additional £35 billion of savings.

Reaching this goal will require innovative solutions and a willingness to learn from examples of world-class public services, from both within Britain and overseas - as advocated in the recent Cabinet Office and HM Treasury [Power in People's Hands](#) publication. For example, developments in communication technologies continue to offer new ways to engage with customers. The challenges and opportunities are detailed in [Digital Britain](#).

Delivering this commitment to world class public services will build on earlier service transformation work which is establishing the foundations for change. In particular the principles of understanding service delivery, removing waste and improving the quality of contact with customers will underpin measures to improve service quality and value for money. This paper provides a snapshot of progress made by government departments in understanding how they use telephone contact and in identifying and eliminating contact that is 'nugatory, duplicative or caused by failures in business processes'. It also provides targets for further reduction and explains the specific approaches being taken by departments in improving delivery of their services.

In October 2007 HM Government published, as part of the CSR 2007, the [Service Transformation Agreement \(STA\)](#), which underpins delivery of the whole PSA framework. The STA sets out a vision of public services that meet the needs of people and businesses, rather than the needs of government, and its aim is to transform both the quality and efficiency of public services so that they become "better for the customer, better for staff, and better for the taxpayer". (The focus is on transactional services such as benefit claims, tax procedures, and so on).

One of the two¹ agreed measures of progress in realising this vision was a reduction in the level of avoidable contact, or 'contact that adds no value to the outcome, is nugatory, duplicative or caused by failures in business processes'. In parallel a new Local Government [National Indicator \(NI14\)](#) was also introduced as part of the Local Government Performance Framework. This indicator requires Local Authorities to assess

¹ Progress Measure 2 relates to the migration of citizen and business websites to Directgov and Businesslink.gov websites. The aim being to migrate more than 95 per cent of the total identified websites by the end of the CSR07 period, with the remaining 5 per cent migrating soon thereafter.

and report annually 'low value' and 'no value' contact generated by their service delivery processes.

Most readers of this document will have experienced the frustration of having to contact a government service provider because things have gone wrong or because the information they need is not easily available. They may also have experienced the double frustration of having to contact a service a second or third time having been given inaccurate or incomplete information. Cutting this kind of 'avoidable' contact is in everyone's interests and frees up resources to provide more effective service delivery. Details of what this should mean in terms of service improvement are given in the Cabinet Office [guidance on avoidable contact](#) to Local Authorities and the same principles are being applied to central government services.

The STA's overall goal of delivering services which are "*better for the customer, better for staff, and better for the taxpayer*" is now set in the context of current Public Service Reform challenges which only serve to make effective service transformation more pressing than ever. Current global economic circumstances are generating new customer needs which services must respond to and which are putting an even greater emphasis on the need for value for money.

The STA contains a specific commitment, in its Progress Measure 1, to set baseline figures and report progress in reducing avoidable contact by 50 per cent over the three year Comprehensive Spending Review (CSR) period which runs from April 2008 to March 2011. It had been intended that a figure for levels of avoidable contact relating to all central government telephone contact would be published by April 2008 and that this 'baseline' would create the target of a 50 per cent reduction.

The complexity of the organisations and services involved meant that establishing a baseline has proved more difficult than anticipated in the STA. In illustration of this it has been estimated that the four Departments which have set baseline figures for avoidable contact in this report received around 160 million telephone calls in total to their contact centres last year. In order to arrive at an avoidable contact figure these calls needed to be divided into service areas and types of service requested, and then assessed by service managers to determine whether they were avoidable. Typically this means service managers sampling calls on a continuous or monthly basis and making judgements regarding whether they could have been avoided if improvements in their services and processes were made.

This document sets out baseline avoidable contact figures backdated to April 2008 in the context of the wider service transformation strategies of the four central government Departments that account for around 90% of telephone contact from the public and businesses. The definition of avoidable contact used by Departments is the same as that given in the 2007 Service Transformation Agreement, as it was felt that this fully captures the spirit of the objective. However, each Department has been set the challenge of deciding what is or is not avoidable based on the STA definition and their own knowledge of their Department's services, processes and available resources. This places the onus on each Department to challenge the effectiveness of its customer contact and deliver the best possible service.

The relevant avoidable contact figures are shown below in the departmental progress updates for Department of Health (DH), Department for Transport (DfT), Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC). These Departments are also scheduled to start reporting quarterly progress on reducing avoidable contact from Summer 2009. It is planned that baseline values for the remaining Departments and their agencies, which account for around 10 per cent of telephone contact with people and businesses, will also be set around this time.

The Cabinet Office has worked directly with Departments and through the Contact Council to harmonise the way avoidable contact is assessed across central government. This has included the implementation of a reporting system at the end of 2007 (the Performance Management Framework (PMF)) through which performance data - including avoidable contact – can be shared within government. The [Contact Council](#) is using this information to compare performance across the private and public sectors and share best practice from both sectors. This ongoing work supports linked Council projects which include the development of a prototype PMF for web service delivery and the production of Channel Strategy Guidance for central government Departments (end-June 2009). It will also inform the development of individual Departments' channel strategies (as required by the Public Accounts Committee Report 16 [Government on the Internet](#)).

Hitting a Moving Target

Since the STA target of a 50% reduction in Avoidable Contact was set in April 2008 the UK has experienced a significant change in economic conditions. In areas such as benefits this has meant an *increase* in demand and in others such as taxation it may mean changes in the *type* of services requested. This makes the task of tracking progress in reducing avoidable contact more difficult. However, it remains possible to track progress sufficiently well to support the primary objective of the work in driving out waste and improving services.

Interpreting Figures

Avoidable contact is a relatively new concept for telephone contact centres and is an area in which the UK public sector is taking the lead. Where case studies from the public and private sector are available they imply that major improvements in service efficiency and customer satisfaction are achievable using this approach. It should also be noted that the reported level of avoidable contact does not easily lend itself to the creation of league tables. Each Department has its own unique set of services, its own history and its own unique challenges, all of which affect the level of avoidable contact it has identified and is attempting to eliminate. In the case of causes such as process failure, high levels of telephone contact quite obviously indicate problems with the way services are being administered. However, in the case of information requests and requests for simple services high levels of 'avoidable' telephone contact may indicate the desire of the Department to exploit other ways of delivering services such as the web.

The baseline figures presented therefore need to be considered alongside the Departmental statements which place them within the context of the Department's current business and future service transformation plans.

Departmental Progress Updates

The following progress updates have been produced by each Department in accordance with the commitment made in the Service Transformation Agreement. They represent a summary of the progress made to date at February 2009, the challenges faced in the future and the approach being taken by the Departments to address these issues. Further updates will be issued for these Departments as work progresses. Those Departments who have not yet arrived at a baseline for reducing their avoidable contact will be required to do so over the coming months.

Department of Health

The Department of carries all the responsibilities of a Department of State, but also provides leadership for the NHS as well as for the Social Care and public health agendas. The overarching goal of the Department is to improve the health and well-being of the people of England, and its work centres around three Departmental strategic objectives:

Better health and well-being for all:

- helping people stay healthy and well;
- empowering people to live independently; and
- tackling health inequalities.

Better care for all:

- the best possible health and social care that offers safe and effective care, when and where people need it; and
- empowering people in their choices.

Better value for all:

- delivering affordable, efficient and sustainable services;
- contributing to the wider economy and the nation.

Lord Ara Darzi's NHS Next Stage Review report *High Quality Care for All*, launched in July 2008, sets out a new vision for a world class NHS that is fair, personal, effective and safe. The defining principle is quality with a focus also on innovation and prevention. A process led locally in each of the ten Strategic Health Authority regions by some 2,000 clinicians helped develop improved models of care for their regions – or local visions – to ensure that the NHS remains up to date with the latest clinical developments and is able to meet changing needs and expectations. Digital services are a key part of this future vision.

Service transformation

The Department of Health (DH) fully endorses the service transformation agenda and the move to reduce unnecessary contacts by eliminating error, poor communication and lack of added value. Improving the quality of services for users of health and care services, reducing waste and increasing efficiency are central features of Departmental strategy and the Capability Review process has demonstrated real change, both within the Department and across the services it leads. The Next Stage Review, the forthcoming Green Paper on Care and Support – which sets out a new model for funding and delivering care and support to enable individuals to live independently – and groundbreaking strategies to improve health prevention through behaviour change are key DH initiatives that all implicitly support the service transformation agenda.

The NHS has adopted four principles of change to help the system approach the improvements and efficiencies set out in the Next Stage Review. The Department is also exploring how these four principles can be used across its range of functions to support the three strategic objectives above. The principles are:

- **ownership and leadership** – getting buy-in from the key leaders and influencers across the system;
- **co-production** – working jointly with stakeholders, delivery partners and citizens to shape and implement change;
- **subsidiarity** – enabling change by ensuring that decisions are taken at the right level of the system; and
- **system alignment** – all parts of the systems (including policies, processes, incentives and communication) pulling in the same direction and working in partnership to achieve the same goals.

DH digital strategy

The Department is also currently producing a digital strategy to ensure that DH, the NHS and the social care system can engage with their respective audiences in a streamlined, effective and joined up way through different media and new technologies. A key driver for this strategy is the service transformation programme, and specifically the website rationalisation and avoidable contacts workstreams.

The strategy will build on the visions set out in High Quality Care for All and the Informatics Review and look at the international evidence about what patients and the public are likely to want from digital information channels over the next five years. It will include a channel strategy identifying the appropriate channels for both public and workforce audiences, and describe an implementation framework to clarify the respective roles of national, regional and local digital services.

Three-digit number

Lord Darzi's report *High Quality Care for All* stated:

“...we should consider options to introduce a new three-digit telephone number to help people find the right local service to meet their urgent, unplanned care needs.”

Service users and patients often struggle to understand the different services available to them (particularly 'out of hours'), where they are located, the times they are open and which are the most appropriate to use. To tackle this, a single, memorable three-digit telephone number would provide convenient access to advice and information to help the public navigate around their local health care system. For urgent care callers, it would also provide consistent clinical assessment and advice about how to access appropriate, safe

and convenient urgent care services or self-care. Such a number would not replace existing local numbers – patients could still choose to call their GP, access their local walk-in facility, pharmacy or A&E. It would, however, provide a quick, convenient and accessible way for people to identify and appropriate services at the right time and in the right place, irrespective of geography, time of day or need. At the same time, it will deliver the secondary benefit of reduced demand for 999 and A&E services, resulting in real savings of scarce resources.

Case study: NHS Direct

In 1997 the Department established the NHS Direct service as a multi-language health information and advice service providing 24/7 access via telephone, the internet and digital TV. The service was established as a way of providing healthcare services to the public that was both more convenient for them and more cost effective for the Department and in turn the tax payer. Since then, the development of NHS Choices and the consolidation of online content between the two services has significantly streamlined and improved access to online health-related information and support to both the public and professionals across England.

What this means for customers

Quick Advice that's Easy to Access

Implementing new ways of delivering healthcare and information has resulted in better access to services, fewer visits to GPs and hospitals and an increased level of self care. NHS Direct receives over 8 million calls a year. There have also been substantial shifts in contact from telephone and face to face to the internet since 1997, and the consolidation of the NHS Direct's 36 million online visits a year with the NHS Choices service has avoided costly duplication and improved customer satisfaction. In addition, the NHS Direct Digital Interactive TV is available to around 18.9 million households with either Sky Digital TV or Freeview. This equates to 85% of all TV homes providing 24/7 access to key health information and advice topics including self help.

The 24/7 accessibility and personal service provided by NHS Direct are the main reasons for satisfaction according to callers. Advice can be provided in minutes, at home or at work and at a time of day that suits the caller. Enabling access by providing health advice and information in any language and to any location with a phone or computer facilitates access for hard to reach groups.

Taking Pressure off GPs and A&E

Of the approximately 5 million callers using the NHS Direct health advice line each year user studies indicate that 44% would have sought help from their GP and 29% would have gone to A&E if they had not been able to access the service. This represents a significant reduction in the pressure put on GPs and A&E Departments. For the user, it also means a reduction in the stress and inconvenience associated with an unnecessary GP or A&E visit. Independent evaluation shows that 41% of callers were advised by NHS Direct to treat themselves at home.

Reaching More People

Of the approximately 5 million callers using NHS Direct each year it is estimated that 8% would have done nothing. In many cases this would have had no ill effect; in others, failure to seek early advice would have had serious consequences.

What this means for the tax payer

The level of unnecessary contacts received by NHS Direct is currently assessed to be very low. This is largely because the service is designed to absorb contact from other parts of the healthcare system and was originally established as a multichannel provider with over 30 million contacts delivered by the website.

In a recent study of the telephone service, 73% of callers – or over 3 million people – said that if NHS Direct was not there they would have gone to either their GP or A&E. Of those that received self-care advice from NHS Direct, over 2 million would have either gone to A&E or their GP (IFF study 2007–08). This clearly demonstrates that developing ways helping people to look after themselves and self-care, we can significantly reduce non-value contact elsewhere in the system.

The use of telephone assessment and opportunities for creating a more seamless journey into and across urgent care is currently being developed. Pilots are under way for local telephone Single Point of Access services for urgent care. These better manage the transfer between providers to reduce the number of contacts a caller needs to make, at the same time improving the user journey. In West Yorkshire NHS Direct, the Ambulance service and Out of Hours providers are working together to design and deliver a more seamless urgent care pathway.

Department for Transport

The Department for Transport (DfT) plays a vital part in the nation's economy and its work impacts on virtually every citizen and business in the country. Its aim is to provide a transport system that works for everyone. This is against a background of increasing demand for its services and rising customer expectations. Making it quicker and easier for both citizens and businesses to access services lies at the heart of the Department's approach to transforming its services. This includes improving the customer experience when they call the Department, whilst at the same time reducing the need for them to call in the first place.

The majority of the calls received by the Department relate to motoring. These might be about transactions and bookings (e.g. for car tax or driving and vehicle tests), or seeking information (e.g. on traffic conditions). The Department receives around 30 million of these calls each year, some of which are handled by automated systems, others of which are dealt with by advisers working in the four contact centres operated by DfT agencies:

- The Driver & Vehicle Licensing Agency (DVLA)
- The Vehicle and Operator Services Agency (VOSA)
- The Driving Standards Agency (DSA)
- The Highways Agency (HA)

All DfT contact centres have been working to reduce unnecessary calls for many years, even before this became a formal target within the 2007 Service Transformation Agreement. For example, in 2006, 50% of all calls received by DVLA were seeking information and 19% asking about processes. That has now dropped to 45% and 13% respectively.

What this work has meant for customers

The following examples illustrate how the work carried out in all the DfT Agencies to reduce wasteful contact is helping to meet the Service Transformation Agreement objectives to deliver more efficient services that meet customers' needs.

All Calls in One Place

All of the Department's contact centres are working to ensure that the majority of calls come through to them, where they can offer a professional and efficient service. VOSA opened a new contact centre in Swansea in December 2008, at the same time transferring calls previously answered in 50 separate test centres. Previously, DSA has rationalised its

separate call centres and moved to a single contact centre operation. It is also moving those calls taken in its Head Office into their contact centre, where they can offer an improved service to customers.

Less Progress Chasing

It was established that a significant volume of calls to DfT agencies were chasing up progress on applications, seeking advice on completing forms, checking the current fees, etc. Agencies are making improvements to speed up processing times and making forms easier to complete. For example, analysis of the process for issuing driving licences showed that many customers called to check on progress after 7 days. The process was improved and now almost all customers get their licence within 5 working days, eliminating the need for them to call and chase.

Better Signposting: Transferred Calls/Wrong Numbers

It was established that a number of calls to contact centres were from customers calling the wrong agency. For example, in August 2007 11,000 customers called DVLA in error. For the Highways Agency, 8,000 calls between January –March 2007 were received from customers calling about roads that the Highways Agency are not actually responsible for. Unnecessary calls to contact centres were also occurring when the service or information the customer wanted might be more easily accessed via other channels.

The Department's contact centres have used a range of techniques to help reduce these types of calls. Highways Agency added a message to its automated answering system to advise callers what roads the Agency are responsible for. DVLA reviewed its telephone numbers and the way it advertised them and its web services. These actions moved around 10,000 calls per month to their local office automated voice system and reduced 'wrong numbers' by 5,000 per month. All agencies are working to raise awareness of the services they provide, promote use of the correct numbers, and publicise online alternatives to calling.

Better Forms, Easier Processes and Easier Access

A lot of calls can be prevented by improving forms and processes. Previously, driving licence fees were listed on a separate form rather than on the application form. It was established that the price list often became separated from the form and that this resulted in calls asking for this information. The application forms themselves now include this information. It was also established that this problem was not limited to driving licence fees.

DVLA are reviewing and improving other forms, testing them with an online panel or focus group before they are implemented and assessing where customers traditionally pick up or

locate these forms to make sure the right form is in the right place. The Department is pushing forward a programme of work to make more of its forms and leaflets available for download so they can be read and printed by the customer themselves at home rather than them needing to call and ask for them to be posted.

What this means for the taxpayer

The Agencies received approximately 4 million calls over the 3 months between January and March 2008. Over 1.3 million of these calls (around 30%) were classed as preventable. Because DSA and VOSA have been transferring calls into their contact centres from test centres (VOSA) and Head Office (DSA), historical data for all calls received is not available for the full year 2007/08, so the Quarter 4 figure has been taken as a baseline. All Agencies have a target to reduce these wasteful calls by 50% by the end of March 2011 as set out below:

Reducing the numbers of non-value calls, and encouraging customers to carry out transactions or find out information through more efficient channels such as the web will help to cut the cost of overall operation to the taxpayer. For example, by moving all calls into a single contact centre in Newcastle upon Tyne DSA was able to close its Cardiff call centre. Reducing preventable calls will also free up capacity to enable the contact centres to take calls about new services, respond to calls more quickly, and make further improvement to the quality of service and overall experience for customers who need to call.

Future Improvement Strategy

Work will continue to assess and analyse the reasons behind calls to identify where improvements can be made and quality improved. Significant progress has been made within DfT agencies in business process improvement, improved capture and use of management information, improved customer insight, improved communication and change implementation skills. All DfT contact centres work closely together to share best practice, experience and techniques.

In addition, work is in progress to benchmark and improve the standard of call centre services through accreditation. The DVLA and DSA gained accreditation to the Customer Contact Association Global Standard in 2008. The HA and VOSA contact centres aim to become accredited to this standard later this year and these accreditation principles and processes will become part of 'business as usual' for all DfT contact centres. DVLA also achieved the Cabinet Office Customer Service Excellence standard in December, with the other Agencies currently in the process of doing so. DSA aim to achieve this later on this year.

The success of the Department's online services will be built upon to provide customers with the option of carrying out more transactions online and promote the use of online and

electronic services. Similarly the work to put more forms, leaflets and information online will continue.

The DVLA Contact Centre have done preliminary work on introducing natural speech recognition solutions for simple telephone transactions such as ordering replacement documents, ordering forms or paying penalties without the need for advisor intervention. DSA introduced natural speech recognition in 2004 allowing candidates to change their driving test appointment to an earlier date without the need to speak with an Agent. Feasibility work is currently looking at the booking of and taking payment for driving tests using the same system. DfT and DSA contact centres are investigating opportunities for 'one call' resolution for more types of transactions and enquiries.

The Highways Agency is also exploring other ways of providing information to customers. Their Traffic Radio service is available on DAB digital radio and online, providing information on traffic conditions and details about emergency incidents and roadworks. HA updates drivers on road conditions ahead using a network of Variable Message Signs (VMS) and touch screen information points in Motorway Service Areas. They offer a service that allows customers to sign up for traffic alerts to be sent to their mobiles, saving them the need to ring up to check.

Department for Work and Pensions

Just about everyone in Great Britain will deal with DWP or one of its businesses at some point in their lifetime. The Department for Work and Pensions exists to:

- Contribute towards fair, safe and fulfilling lives, free from poverty – for children, people in work and retirement, disabled people and carers;
- Reduce welfare dependency and increase economic competitiveness by helping people to work wherever they can and employers to secure the skills and employees they need; and
- Provide greater choice and personalisation and higher quality of service for customers where it is in their interests and those of the taxpayer.

DWP delivers services through 8 businesses and Non Departmental Public Bodies, which include:

- Jobcentre Plus.
- The Pensions, Disability and Carers Service.
- The Child Maintenance and Enforcement Commission.

Telephone contact is the major channel used by DWP, though it also has significant face-to-face, internet and postal contact. DWP handles in excess of 153 million inbound customer contacts per year, with more than 75 million received by telephone.

In October 2006 the first DWP Capability Review identified areas the Department needed to focus on in order to support a change of culture and provide a more joined-up service to our customers. The first phase of this DWP Change Programme has concentrated on identifying how the Department could improve its service to its customers while simultaneously meeting its efficiency targets. On the 1st April 2008 five project strands were launched dedicated to turning the DWP Change Programme design work into real changes.

Reducing non-value contact will mean that DWP's customers can have a faster and more efficient service while the Department simultaneously cuts the cost of delivering that service. In the context of the DWP's services preventable contacts include wrong numbers, or customers ringing in because the letters that we have sent to them are difficult to understand. Reducing the number of these contacts means reducing the number of times customers need to contact the Department to complete their business with it, whilst at the same time improving business processes.

Reducing non-value contacts will mean that accessing benefits and entitlements should become less complicated. It should also mean that less resource is taken up in processes

that don't provide value and can be used to provide support to the people who most need it, when they need it.

What this has meant for customers

Fewer Calls Required

Between 2005 and 2008 DWP significantly reduced unnecessary telephony contact, with a 48% decrease in the proportion of unnecessary contacts. This was equivalent to a reduction of over 72 million calls to the Department per year. This reduction meant that DWP's resources were used more effectively, and agents could spend more time helping customers. In turn this also meant fewer frustrated customers. This reduction was achieved by changing processes and changing the way calls were handled across DWP.

Completing Transactions in One Call

Changing the way the Jobcentre Plus service is delivered has reduced calls significantly. From the customer's point of view the changes are a big improvement with most working age benefit and pensions claims now dealt with during a single call.

Benefits Advice on the Web

The Benefit Adviser Service went live in April 2008 allowing customers to quickly and simply assess their potential entitlement to 28 benefits, pensions and credits via the [Directgov website](#). This has made it possible to check eligibility for a benefit online, and will reduce the likelihood of nugatory claims being made whilst improving our customers understanding of the benefit system.

Reducing Waiting Times

The Department has invested in its telephony and is moving towards a virtual network. A virtual network is in place to handle all first contact calls to Jobcentre Plus. A virtual network allows the demand for help to be shared by multiple centres across the country and makes it much less likely customers will be left waiting for service. It also means that peaks and troughs in local demand are smoothed out and agents use their time far more productively.

What This means for the Tax Payer

The reduction of 72 million unnecessary contacts per year already achieved between 2005 and 2008 represents a major improvement in the service delivered to the Department's customers and an efficiency gain for the Department. The baseline for the 50% STA contact reduction target is from April 2008 and calculated by using the DWP contact survey. DWP received approximately 75 million inbound telephony contacts in 2008. Of

these calls 26 million were classed as unnecessary telephony contacts. This represents 35% of the total number of inbound telephony contacts. The target is to reduce the level of non-value contacts from 35% to 17.5% of inbound telephony contacts by the end of the April 2011. At 2008 contact levels the target would equate to a reduction of over 13 million contacts during the year 2010/11, however 2009 volumes are likely to be higher due to the economic environment.

Future Improvement Strategy

Improved Processes

In order to make further progress DWP is working to provide a more joined up service for its customers – ensuring customers know where to go to get what they need, increasing the proportion of transactions that only require a single contact with DWP, and improving the way people and information are passed between different parts of DWP as they are dealt with. These improvements will mean that customers won't need to repeatedly contact different parts of DWP, making the Department's services easier to access.

Clearer Communication and meeting customer expectations

The Department is also working to improve its letters to customers to make them easier to understand and reduce processing times so that customers do not feel the need to make progress chasing calls. In working to achieve the target, and improve our customer service the Department has been working closely with other Departments and private sector businesses to share good practice.

Exploiting the Web and new Channels

Our customer insight tells us that a significant, and increasing, proportion of the Department's customer base wish to be able to access basic information and carry out transactions with the Department using the internet. To support this demand there is an ongoing programme of services being developed to allow customers to self-serve both through automated telephone systems and via the Directgov website. By increasingly providing such self-service options for customers who wish to use them the Department is able to better focus face-to-face and telephony advisor support towards those who most need it.

HM Revenue and Customs

HM Revenue and Customers (HMRC) was formed on the 18th of April 2005, following the merger of HM Customs and Excise and the Inland Revenue. The Department collects the bulk of UK tax revenue and offers support to families and workers through the benefits and credits it administers. It also plays a vital role in law enforcement.

HMRC has twenty contact centres through which individuals and businesses can contact it about their tax obligations and benefits and credits entitlements. The telephone service it operates is more than an advice line and customers complete many transactions and payments through them rather than by mail or in person at a tax office.

HMRC's 20 contact centres are spread across the UK and employ around 10,000 staff. In the year to March 2008, its contact centres handled around 60 million calls across 13 main lines of business and over 150 different helplines. 77% of calls into HMRC contact centres were in relation to Tax Credits (representing 36% of calls answered) and PAYE / Self Assessment / National Insurance (representing 41% of calls answered).

The Department wishes to ensure its customers receive a good service that suits their needs by developing its service delivery operation in a sustainable way. This means improving the customer experience, while also improving the efficiency with which the Department delivers its services. Achieving success in this will require success in significantly reducing wasteful contact. It will also mean that the Department encourages, where possible and appropriate, its customers to use channels such as the internet. This requires improved HMRC products and processes, improved customer confidence in the Department and a reduced need for reassurance to customers. Work has already started to achieve these objectives with a dedicated team set up to take forward a number of projects. The team has created early momentum by responding to key contact peaks and delivering early savings in phone calls.

What this has meant for customers

Annual Coding Notices

Each year the Department is required by law to issue notification of the rate of tax it plans to apply to users of the Pay As You Earn (PAYE) system. Last year this required the issue of 2.9 million new coding notices to be sent to customers in September 2008. The issue of these notices has historically resulted in large numbers of telephone calls as customers either did not understand the notice fully or did not understand what if anything was required of them.

This year in addition to re-designing the notices to make them clearer, the team introduced an automated telephone message to explain their coding notice and what it meant to customers. These actions saved over 100,000 calls into contact centres and through signposting doubled the number of hits on improved HMRC web pages.

Self Assessment Online

HMRC issues over nine million Self Assessment returns each year. This year the Department had different deadlines for paper returns (31 October) and online returns (31 January) and redesigned its online return to make it easier for customers to understand. As a result, it has seen the online channel overtake returns received through the paper channel for the first time. A record number of customers filed their returns online this year. A total of 5.75 million returns filed online by the 31 January deadline - over a 50% increase on last year, meaning that HMRC has far fewer paper returns to process and customers were able to easily access online guidance and information to support them in completing the form, increasing efficiency. In all 67% of returns were filed online by the deadline this year.

Progress Chasing

HMRC currently receives significant numbers of progress chasing calls every year – this contact might for example be a customer asking when a new claim that they have made or a change of circumstances they have reported will be processed. The Department has recognised that if it informs customers accurately and clearly at the outset how long a process will take, and delivers to this, there will be less need to progress chase. The Department is also committed to looking for improvements in its processes to reduce the time it takes to process inbound correspondence.

Identifying Information Requests

Another example of non-value contact is when customers call to find out when they will be paid their tax credits over bank holidays. In August and over Christmas, an automated telephone message was put on the Department's tax credit and Child Benefit phone lines to tell customers about the changes to payment dates affected by the August bank holiday and Christmas. This simple, targeted initiative handled 13,000 calls in August, freeing up adviser time to take other more complex calls. Further work is now underway to look at what customers want or need to know and provide this information up front through other channels, including online and using existing outbound correspondence.

What This means for the Tax Payer

The Department has assessed that in the year April 2007 to March 2008 approximately 35% of its 60 million calls were preventable. This figure is based on a split of 11% of unnecessary calls the Department should eliminate and 24% of calls that could be reduced by improved communication, migration to the website or call automation in the short to medium term. The target is to reduce the level of preventable calls from 35% to 17.5% by April 2011. At 2007/08 contact levels, the target would equate to a reduction of 10.5 million calls during the year 2010/11. The table below gives a target for 2011 which represent a 50% reduction of this total.

The savings in calls prevented or transactions completed by more efficient means such as the web will create efficiency gains for the Department, enabling further improvements to the services delivered to customers, including contact centre performance. By reducing wasteful contact, the Department will be in a position to more effectively answer complex customer queries.

Future Improvement Strategy

Improved Processes

In addition to the improvements already achieved, a long term plan has been developed to deliver an improved customer experience that will lead to a significant reduction in unnecessary contact. This plan includes a heavy emphasis on examining the Department's processes and how they can be improved; a review of how the Department communicates with its customers and provides 'signposts' to the services they need; and improving forms to make them easier for customers to understand and complete.

Reducing Avoidable Contact

A Demand Management Team will also be using customer and staff feedback to influence the way the Department operates to identify and deliver improvements to products and processes that result in a reduction in preventable contact. Through this work HMRC is targeting a reduction in contact of over 17.5% by April 2011.

New ways of delivering services

To achieve these ambitious reductions in preventable contact into Contact Centres, HMRC is developing and expanding the ways services are offered. In particular HMRC is investing in delivering more services via the internet and making this route easier to use. Examples of online initiatives currently underway in HMRC are the Carter Programme and the Web Convergence Programme. The aim of the Carter Programme is to successfully implement [Lord Carter of Cole's recommendations](#) to:

Progress HM Revenue and Customs

- increase the use of HMRC's online services
- promote earlier filing of tax returns
- provide customers with certainty regarding tax issues sooner
- achieve universal electronic filing of tax returns from businesses and IT literate individuals by 2012

In order to achieve this the programme's focus is on ensuring that HMRC delivers robust, secure and high capacity services that enable our customers and their agents to fulfil their tax obligations more accurately, more quickly and with greater certainty.

Separately the Web Convergence Project (WCP) is redesigning the content, look and layout of HMRC website and, over time, moving it to the Businesslink and Directgov sites. This is in line with the requirements set out in the [Varney Review](#) and the ministerial commitment to that report. The aim is to bring all relevant information that a customer may need together on a website and lay it out in a clear and easy to follow way. This should result in customers being able to find what they need and understand what they need to do online first time most times.

Annex 1 – Departmental Figures for STA Progress Measure 1

Department of Health (NB: only calls to NHS Direct)

Agency Call Centre	Total Calls March 2007 –April 2008	Percentage Avoidable calls as assessed in April 2008	Target for avoidable calls received in April 2011
NHS Direct	8,000,000	7.7%	3.85%

Note: The piloting of the three-digit number will be a key enabler of avoidable contacts for ambulance and out of hours services as well as for NHS Direct. Until these pilots have been established there is little data on which to base figures for the NHS as a whole. These should become available for future reports.

Department for Transport (DfT)

Total calls received between January - March 2008	Avoidable calls received between January - March 2008	Avoidable calls as a percentage of total calls received	Target avoidable calls received between January - March 2011	Target avoidable calls as a percentage of total calls received
4,090,426	1,312,927	32%	656,463	16%

Note: These figures refer to all of DfT's agencies and their respective contact centres.

Department for Work and Pensions (DWP)

Total Calls 2008/9	Percentage Avoidable calls as assessed in April 2008	Target for avoidable calls received in April 2011	April 2011 Target for reduction in number of avoidable calls
75,000,000	35%	17.5%	13,125,000

HM Revenue and Customs

Total Calls March 2007 to April 2008	Percentage Avoidable calls as assessed in April 2008	Target for avoidable calls received in April 2011	April 2011 Target for Calls Avoided in 2010/11
60,000,000	35%	17.5%	10,500,000