

Improving customer service through better customer contact

Key findings / Prepared for the Accounts Commission

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Key findings

The study

1. Councils provide an enormous range of services and information to customers. This study examines efforts by councils to improve customer service through better customer contact.

2. The study focuses on how councils deal with customers across the board rather than improving services individually. **Exhibit 1** illustrates the difference between customer service activities and the wide range of typical council services.

3. Good customer service can help improve services in many ways by:

- making it easier for customers to get services
- helping to make council services more responsive to customers' needs and preferences
- helping to make council services more efficient – for example, by making better use of staff time.

4. Good customer service should be an integral part of councils' core services under Best Value. A good customer service strategy involves the alignment of business strategy, organisation structure, culture, customer information and technology. This is a particular challenge for councils because of the very large and varied range of services they must provide.

5. Council spending on customer service and contact is currently at least £40 million a year. Since 2000, in addition to council's own resources, the Scottish Executive has provided some £100 million Modernising Government Fund (MGF) support to councils and other public bodies to aid modernisation programmes.

6. Audit Scotland's research for the study included:

- a national survey in 2003 and 2004 of customer service activity in all 32 Scottish councils.
- audit visits to a sample of seven councils to appraise customer service activity.

Main findings

7. The main message of this study is that, while many councils have recognised the importance of customer service, there is still much to be done. Although there is no simple solution, it is clear that councils without a solid strategy in place to manage improvement are unlikely to achieve success.

Evidence of customer satisfaction

8. As for any service provider, the starting point for councils is to assess whether they are providing a satisfactory level of service to customers. The obvious way to achieve this is to ask customers for their views on a regular basis so that the effectiveness of customer service can be measured and areas for improvement targeted.

9. In response to Audit Scotland's survey, 29 councils reported they had collected data about levels of customer satisfaction since April 2000.

10. Given the significant variation in survey methods, scope and objectives – and in the wide range of satisfaction levels recorded – comparisons between these results must be treated with caution. However, the results do not give assurance that councils are consistently performing to high standards. For 17 councils which have surveyed users of all services since 2000, maximum satisfaction

levels ranged between 59% and 92%. The Scottish Executive's household survey for 1999-2002 also shows a range of satisfaction levels with a sample of important council services of between 30% and 80%.

11. Audit Scotland commissioned an independent market research company to conduct 'mystery customer' research for the seven study councils. The results suggest that customers often get what they are looking for but not consistently, with much depending on the individual member of staff contacted.

Improving service quality through better customer contact

12. Audit Scotland's research suggests that the 32 councils in Scotland may collectively deal with 35-40 million or more enquiries from customers every year.

13. While precise figures could not be obtained, the available evidence indicates that two out of every three customers still prefer to contact their council by phone (despite increased online activity over recent years).

14. Councils need to be well-organised to respond to enquiries from their customers. In the last three years, 16 councils have opened call or contact centres and 19 now operate first-stop shops. Covering many of the most common enquiries – for example, council tax and house repair requests – these new facilities make it easier for customers to get access to a consistent standard of service and information.

15. Despite these improved facilities, there is still a question about whether councils are doing enough to improve responsiveness, consistency and quality of service for customers.

Exhibit 1

Examples of council service to customers

Customer service

- Providing information about service.
- Accepting bookings for service.
- Providing service.
- Accepting payment for service.
- Accepting payment for council tax.
- Accepting information about services, for example, street light failure, litter, road defects.
- Handling comments and complaints.
- Maintaining records, for example, change of address details.

Typical council services

- Landlord services for council tenants, for example, housing repairs.
- Council tax enquiries and administration.
- Benefits enquiries and administration.
- Community services, for example, special uplifts.
- Social work services, for example, homecare services or benefits advice.
- Development control, for example, planning applications and enquiries.
- Leisure services, for example, public libraries and sport centres.

Source: Audit Scotland

16. While call centres and first-stop shops cannot resolve all types of customer enquiry, it was found that 16 councils do not have a contact centre for the most common enquiries and 13 do not operate first-stop shops. Eight councils operate neither a call centre nor first-stop shops.

17. Information about the improvements in quality of service that these new facilities achieve is not available systematically.

18. Even where councils have introduced such improvements, some departments are not involved. For example, while social work enquiries can represent a significant part of total customer demand, most contact centres and first-stop shops provide limited or no cover for even simple enquiries such as social work appointments.

19. Few councils have information about customer contacts across all main departments. One council that collected customer contact data found that it did not answer about a third of all telephone calls received (although this council subsequently introduced a dedicated telephone contact centre which has improved call-answering performance).

Leadership and organisation of customer services

20. Introducing new facilities at the 'front end' of operations does not in itself guarantee improved services. If the end result is only better access to a weak service, the improvements are unlikely to satisfy the customers.

21. Many councils have aims which recognise the importance of good customer service but, in certain key areas, these are only at an early or intermediate stage of development.

22. For example, many councils do not yet have comprehensive customer service strategies, and only seven councils have established dedicated review teams to assess services and identify potential process improvements for customers.

23. It can be difficult for councils to measure improvements in customer service or quantify specific service benefits (eg, savings) directly derived from investment in new technology. However, none of the councils visited had completed any formal post-implementation review after executing a technology-based improvement project with MGF support.

24. In Audit Scotland's assessment, most councils have yet to set customer service improvement targets so that achievements can be measured.

Exhibit 2

North Lanarkshire Council – using value and failure calls to measure service

North Lanarkshire Council has introduced a strong system for monitoring the effectiveness of its customer service activity.

Getting the answer right first time is important for both customers and the council. The strength of the council's approach is that all enquiries to its contact centre, first-stop shops, housing sub-offices and main reception areas are recorded as 'value' or 'failure' calls, where:

- value demand is what these contact points exist to meet (eg, "I'm calling to arrange ...")
- failure demand is a repeat call or other evidence of waste (eg, "This is the third time I have called to arrange ...").

The philosophy is that failure calls are an indicator of waste, and the goal is to minimise the extent of failure calls and waste.

The council ends waste by redesigning processes to avoid the need for repeat calls from customers, and by ensuring that customer service staff provide effective solutions to customers' enquiries.

The results of the council's monitoring show that 7% of calls are categorised as failure calls, which appears low.

Source: Audit Scotland/North Lanarkshire Council

25. Establishing individual service standards for hundreds of services and measuring performance against them would produce a mass of information. Too many targets may not help assess how well any council is serving customers.

26. A more valuable approach may be North Lanarkshire Council's method of measuring 'value' and 'failure' demand ([Exhibit 2](#)). Value demand represents the core service to customers that councils should provide; failure demand flags up failings in a core area when customers call to chase, report errors or complain. This approach provides a built-in incentive to service improvement by identifying key areas where councils can work to reduce causes of failure and improve core services to customers.

Key recommendations

27. A deliberate programme to manage customer service improvements is good practice and an important first step.

Without strategic commitment, there is a risk that worthwhile initiatives may fail and councils will not be able to meet customers' reasonable service expectations.

28. Councils should ask themselves if they are actively pursuing such a programme as being central to effective service delivery.

29. Councils need to demonstrate commitment to the programme in many ways:

- The improvement programme should be based on a properly researched understanding of how, when and why customers contact councils.
- It should include an analysis of what barriers and opportunities exist for access and consistent quality of service to customers across all main activities. All departments need to be involved.
- The customer service programme needs to be up-to-date. Responsibility for leadership and delivery needs to be clearly assigned. Measures of success need to be established (see paragraph 32) as the basis for monitoring.
- Councils should consider establishing project teams with an explicit remit to support the development of good customer service.

30. Councils should improve how they research customers' opinions on service:

- Councils should consider survey approaches which measure customer expectations as well as perceptions of service.
- Council surveys should maximise the number of actual service users within the total sample, rather than randomly sampling the local population.
- Council surveys should be conducted regularly, to allow the measurement of improvement over time.
- The Convention of Scottish Local Authorities (COSLA) has developed standard 'Frequently Asked Questions' as well as a benchmarking database to help share good survey practice, but few councils have used it. Councils need to use and develop this tool in partnership with COSLA.
- Councils should tell customers specifically how they have used, or will use, information from surveys to improve services and tackle causes of dissatisfaction.
- Councils should consider using methods like mystery customer research to reinforce training and help identify where additional effort to improve service may be needed.

31. Councils should make better use of feedback from customers. From Audit Scotland's work in seven councils, there was little evidence that councils systematically use feedback from complaints to improve services.

32. Councils should improve performance measurement.

Performance measurement is a prerequisite for accountability, value for money and Best Value. Councils should set key indicators that take account of customer views and experience, including:

- **Specific targets for customer satisfaction.** Councils could demonstrate a high degree of commitment to customer service by making targets for maintaining or improving customer satisfaction an integral part of performance measurement (as some already have). This would be consistent with the Scottish Executive's draft *Customer First* strategy, published in October 2004.
- Any targets should distinguish clearly between satisfaction with how a contact is handled and satisfaction with outcomes. This will improve accountability by allowing better comparisons between councils and services.
- **Targets for improving the effectiveness of council services.** Measures which can be used to monitor end results are needed to make sure that improvements in access result in real impact. Distinguishing between value and failure demand is a very powerful measure of performance because it acts as an incentive to continuous improvement.

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