

# Improving customer service through better customer contact

Prepared for the Accounts Commission

May 2005



### The Accounts Commission

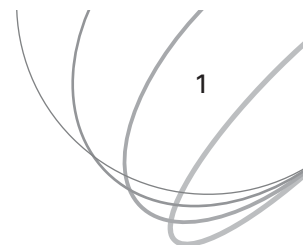
The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following-up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 35 joint boards (including police and fire services). Local authorities spend over £13 billion of public funds a year.

**Audit Scotland** is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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## Appendix 1

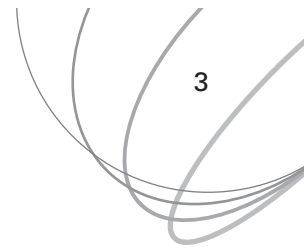
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## Part 1. Introduction – Why and how we examined customer service



This report focuses on the effectiveness of customer contact and interaction, and... how this contributes to providing better service to customers.



## Councils should provide information and services to customers economically, efficiently and effectively

**1.1** Councils provide an enormous range of services and information to their customers ([Exhibit 1 overleaf](#)).

**1.2** Councils providing services to customers should do so efficiently, in accordance with proper standards and provide outcomes that meet customers' legitimate needs. That means councils consistently giving good information and effective service.

**1.3** The UK government White Paper Modernising Government (1999) outlined a programme of improvement and reform to public services and reinforced the need for councils to provide good customer service. It committed the UK government to public services that were responsive "to meet the needs of citizens, not the convenience of service providers" ([Exhibit 2, overleaf](#)).

**1.4** In Scotland, the Scottish Executive included customer focus and "putting the citizen at the centre" in its strategic vision for modernising government, 21st Century Government ([Exhibit 3, page 5](#)).

## Good customer service is an integral part of Best Value

**1.5** The Scottish Executive's guidance on *Best Value in Scotland*<sup>1</sup> expects councils to demonstrate:

- **responsiveness** to the needs of communities, citizens, customers, employees and other stakeholders so that plans, priorities and actions are informed by an understanding of those needs
- **effective performance measurement systems**, which include the use of external comparison, through which performance issues can be identified, monitored and addressed.
- 1.6** The duty of Best Value and the related guidance will steer councils' efforts towards continuous performance improvement. Councils have been developing Best Value on a voluntary basis since 1997 and the duty of Best Value was incorporated in legislation in 2003, and guidance issued in 2004. Councils have therefore had a short time to address aspects of the new duty.
- 1.7** Audit Scotland's Best Value audits, which commenced in July 2004, hold councils to account for how they exercise the duty of Best Value and seek to support and encourage real improvement in services locally. The audits aim to identify and promote good practice so that experience can be shared and risks minimised.<sup>2</sup>
- 1.8** Good customer service is an integral and important part of Best Value:
  - The objective of Best Value is to ensure that effective management delivers better and more responsive public services.
  - Councils provide an enormous range of services to people as customers.
  - When asked, customers often say they think that councils should improve the way they deliver service and the quality of the outcomes achieved.

**1.9** Part 2 of this report discusses the most recent evidence on customer satisfaction with council services. Perceptions may change over time, but research prepared in 1999 for the Commission for Local Government and the Scottish Parliament on perceptions of local government in Scotland highlighted that research participants, in general, had a poor image of both local authorities and councillors and did not feel empowered to effect change. Standards of service were perceived to be deteriorating. Participants thought that there was a lack of accountability in the event of poor service because paying taxes was compulsory.<sup>3</sup>

## Examples of good customer service initiatives

**1.10** [Exhibit 4 \(page 5\)](#) summarises the most important types of changes councils consider they have introduced since 2000 to improve customer contacts and services. It shows that most councils have introduced changes to improve their performance. [Exhibit 5 \(page 6\)](#) gives examples of some of the most common, higher-cost projects to support customer contacts and services – contact centres and first-stop shops.<sup>4</sup>

**1.11** There is no central estimate of the overall costs of customer service activity by Scottish councils and most councils do not record the cost of this activity separately. In Audit Scotland's research, three councils estimated the overall costs of customer service activity could be around 0.5% of their general revenue expenditure. If this is representative of all councils, the total cost would be some £40 million a year nationally.

<sup>1</sup> The Local Government in Scotland Act 2003: Best Value guidance, Scottish Executive, April 2004.

<sup>2</sup> More information on the audit of Best Value can be obtained from Audit Scotland's website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

<sup>3</sup> Perceptions of local government – a report of focus group research prepared for the Scottish Office Central Research Unit, June 1999.

<sup>4</sup> Two terms, 'first-stop shop' and 'one-stop shop', are commonly used to describe offices open to the public, which are provided mainly to help customers get council services and information about services easily. In most cases, staff in these shops seek to resolve customer queries at the initial contact but some issues need to be referred to a specific service area/expert. For simplicity, in this report we refer to such facilities as first-stop shops.

## Exhibit 1

### Examples of council service to customers

Customer service	Typical council services
<ul style="list-style-type: none"> <li>• Providing information about service.</li> <li>• Accepting bookings for service.</li> <li>• Providing service.</li> <li>• Accepting payment for service.</li> <li>• Accepting payment for council tax.</li> <li>• Accepting information about services, for example, street light failure, litter, road defects.</li> <li>• Handling comments and complaints.</li> <li>• Maintaining records, for example, change of address details.</li> </ul>	<ul style="list-style-type: none"> <li>• Landlord services for council tenants, for example, housing repairs.</li> <li>• Council tax enquiries and administration.</li> <li>• Benefits enquiries and administration.</li> <li>• Community services – for example, special uplifts.</li> <li>• Social work services, for example, homecare services or benefits advice.</li> <li>• Development control, for example, planning applications and enquiries.</li> <li>• Leisure services, for example, public libraries and sport centres.</li> </ul>

Source: Audit Scotland

## Exhibit 2

### Modernising Government – key customer service commitments

**Responsive public services:** we will deliver public services to **meet the needs of citizens**, not the convenience of service providers. We will:

- deliver a big push on obstacles to joined-up working, through local partnerships, first-stop shops, and other means
- involve and meet the needs of all different groups in society.

**Quality public services:** we will deliver efficient, high quality public services and **will not tolerate mediocrity**. We will:

- review all central and local government department services and activities over the next five years to identify the best supplier in each case
- set new targets for all public bodies, focusing on real improvements in the quality and effectiveness of public services
- monitor performance closely so that we strike the right balance between intervening where services are failing and giving successful organisations the freedom to manage.

**Information age government:** we will use **new technology** to meet the needs of citizens and business, and not trail behind technological developments. We will:

- develop an IT strategy for Government which will establish cross-government co-ordination machinery and frameworks on such issues as use of digital signatures and smart cards, websites and call centres
- benchmark progress against targets for electronic services.

Source: Modernising Government White Paper Cm4310, March 1999

## Exhibit 3

### Scottish Executive – 21st Century Government

The 21st Century Government vision envisages a Scotland where the delivery of public services and public information is characterised by citizen focus, a choice of means of access, convenience, effectiveness and continuous improvement where:

- public service and information delivery is driven by the needs of citizens and by a commitment to a customer service culture and to measurable improvement in accessibility and quality for all
- the aim is to give the consumer a positive outcome at first point of contact
- there is a choice of ways to access services and information whether by self service or assisted means
- ease of use is a key objective in designing delivery channels
- accessibility of all barriers to better service delivery are challenged
- data sharing and convergence in technical standards are promoted where that will improve services
- best practice is sought after, exchanged and celebrated
- gains from joint delivery and joint procurement are exploited
- new technology is exploited where it delivers improved services.

Source: Scottish Executive, 2000

## Exhibit 4

### Key customer contact and service initiatives by councils

Change/initiative	Number of councils citing as important change/major project	Range of costs for each project (where known)
Website introduction/development	15	Included as part of ongoing revenue spend
Organisational & structure changes eg, establishment of customer service teams/groups, business improvement initiatives	14	Annual staff costs of £60,000 to £120,000
Establishing or developing customer contact/service centres	12	Project costs of £0.2 million to £1.8 million, plus recurring staff costs
Development of customer relationship management (CRM) system	11	Project costs of £0.2 million to £1.9 million
Establishing or developing first-stop shops	8	Project costs of £40,000 to £1.3 million
Review/development of complaint scheme/comments procedure	7	
Development/review of customer care/contact strategy	7	
Consultation with citizens (through surveys, citizens' panels, etc)	6	£25,000 to £45,000 survey costs, excluding own staff costs
Joint-working with other agencies	6	
Development of smart cards	3	Project costs of £0.2 million to £2.5 million

Source: Audit Scotland survey of councils, 2003

## Exhibit 5

### Contact centres and first-stop shops – examples

#### Glasgow Access Centre – new contact centre

**Glasgow Access Centre** was launched in 2001 to provide a single point of electronic and telephone access for customers to council services by 2005.

In 2003, there were 68 access centre staff, mainly customer service advisers. In 2003, the centre responded to some 300,000 customer enquiries by telephone (excluding switchboard calls).

The centre aims to provide consistent, high quality service with more enquiries resolved first time. The council is bringing services into the access centre in phases. Phase one was to relieve pressure on service departments for the resolution of general enquiries, thus freeing up subject matter experts to deal with the more complex enquiries. Phase one included:

- corporate switchboard
- cleansing (uplifts, etc)
- clean Glasgow (graffiti, pest control, etc)
- council tax enquiries
- internal directory enquiries service
- parks enquiries
- public relations enquiries
- roads and lighting
- social work enquiries (including 'blue badge').

#### North Lanarkshire Direct – new network of first-stop shops and customer contact centre

**North Lanarkshire Direct** is the council's main strategy for improving access to services since 1999. The changes in how the council is organised to respond to customer enquiries have cost some £2 million (including £0.8 million from the Scottish Executive's Modernising Government Fund (MGF)).

Ten **first-stop shops** located throughout North Lanarkshire were opened between 2000 and 2002. They receive approximately 205,000 enquiries from visitors a year and offer varying degrees of access to service. Primarily they give information, but services that can be accessed directly include:

- reporting roads, footpath and lighting defects
- request maintenance/repairs to a council house
- advice on applications for housing benefits
- apply for help through the Garden Assistance Scheme
- cleansing (uplifts) and reporting litter problems
- collect and submit application forms for all council services.

The council first surveyed its first-stop shop customers in 2002 and 2003. A total of 18,032 survey forms were issued, covering all ten shops, with 3,180 (18%) being returned. Key findings included that 84% of respondents considered overall service provided had improved as a result of the introduction of the first-stop shops. Analysis of its 2004 survey of 4,000 customers was under way in early 2005.

**Northline** is the council's new, telephone based customer contact centre, which opened in March 2003. In its first year the contact centre got approximately 300,000 calls for the following services:

- bookings for community centres, parks, and arts & venues
- environmental services, including cleansing, roads and lighting faults, abandoned cars and pest control
- general enquiries on all council services
- telephone payments for housing rents, council tax, non-domestic rates, community charge and other accounts.



## Exhibit 6

### Modernising Government Fund (MGF) rounds one and two – 2000 and 2002

#### Round 1:

In February 2000, the Minister for Finance (with responsibility for 21st Century Government) announced the MGF to Parliament. Its purpose was to support innovation in the public sector; address policy priorities for modernisation; and particularly to support and promote joined-up working.

Applications were open to any public sector body in Scotland either individually, in partnership with other public sector bodies, or in partnership with the private or voluntary sectors.

In December 2000, Ministers announced a £26 million package of support for 36 projects. The funding to councils came to some £19 million. The projects covered a wide variety of themes and activities, including:

- Digital Highland – improving telecommunications through the use of broadband, joint IT solutions and sharing resources to meet information needs across the community.
- eCare projects – including the development of standards and protocols across and between agencies to support secure joined-up health and social work records.
- Facilitating electronic service delivery – including the improvement of online information systems (eg, websites and portals), as well as the provision of internet access to local people and communities.
- Customer Relationship Management (CRM) systems – including the fundamental review of business processes.
- The introduction of 'one-stop shops' and contact centres.
- The development of a citizen's 'smartcard'.
- Developing 'definitive national addressing' – to develop the scope for the sharing of geographical data.

#### Round 2:

In June 2002 the Minister for Finance and Public Services announced a £40 million package (around £34 million to councils) to facilitate the development of public sector partnerships to deliver the following programmes:

- National Citizen's Account/Citizen's smart card programme, incorporating a National Dialogue Youth project, a Customer Relationship Management project and a smart card project – £19 million.
- National Land and Property Management programme – £7 million.
- eCare programme – £6 million.
- ScotXed project (linked to eCare and children's services programme) – £1 million.

## Exhibit 7

### Scottish Executive's *Customer First* funding October 2004

A funding package of £35 million will be provided to:

- prioritise support for those local authorities who have made only a limited start on any *Customer First* activity and to allow the 'pathfinder' *Customer in Focus* partners to further accelerate progress (£13 million)
- link the local property gazetteers to the Assessors portal (£1 million)
- prioritise/test feasibility of a wider range of services to young people (adding 18-26 year olds to the current 12-18 scheme) and to extend the offer of the entitlement card to all older people as part of the roll out of a national concessionary fares scheme (£7 million)
- encourage and promote the online – self-service – delivery of the core transactional services (£4 million)
- combine all of the data sharing, national citizen's account, national addressing, authentication, electronic service delivery into a common programme for a 'national data sharing infrastructure' (£10 million)
- provide for a programme office and resources to oversee the programme, including programme office support, business analysis, technical design, project management and administrative support (£1 million).

Source: Scottish Executive

However, there is no agreed basis for apportioning council costs to customer service activity; the costs for councils could be much more than this simple estimate suggests.

**1.12** The Scottish Executive established the MGF in 2000 to provide funding to councils and other public bodies in Scotland to help progress towards the reform and the modernisation of public services. To date the Executive has spent or committed some £100 million to MGF-supported projects in three main funding rounds. While the broad policy aims for MGF-funded projects have not changed, the Executive has set specific priorities within each funding round. Details of the first two rounds are set out in [Exhibit 6 \(page 7\)](#).

**1.13** In October 2004, the Scottish Executive announced details of the third round of MGF funding. This consisted of a strategic framework, *Customer First*, intended to help both the Executive and local authorities to focus MGF on a number of core priorities, including:

- access to information and services
- measures of customer satisfaction/targets for improvement
- improvement of business processes
- accountability
- use of change management/change programmes
- partnership working.

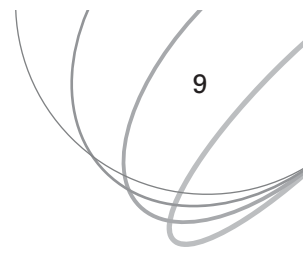
**1.14** The Minister for Finance and Public Sector Reform has confirmed the provision of a funding package totalling £35 million to support *Customer First*, which is expected to also deliver recurring annual savings of £56 million ([Exhibit 7](#)).

### This report examines how councils are improving the responsiveness of their customer service

**1.15** This report focuses on the effectiveness of customer contact and interaction, and, as far as possible, how this contributes to providing better service to customers. Audit Scotland aimed to evaluate critically how councils are enabling better access and outcomes for people across Scotland.

**1.16** 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
- increasing council service efficiency, for example, by making better use of staff time (eg, so that social workers only see people who really need to see a social worker).



**1.17** Audit Scotland's research included:

- a national survey of customer service activity in all 32 Scottish councils (undertaken in 2003 and updated in 2004)
- audit visits to a sample of seven councils, to appraise customer service activity and gain a deeper understanding of the issues. Audit Scotland selected these councils to reflect the different stages of development and different influences affecting customer service activity across Scotland<sup>5</sup>
- 'mystery customer' research across the same seven councils, conducted by an independent market research company, to obtain objective data on performance from the customer perspective
- research with three councils, to collect data to help estimate the volume, type and complexity of customer contacts, and explore whether and how such data can assist service development.<sup>6</sup>

5 The seven councils Audit Scotland visited were: Aberdeenshire; East Lothian; East Renfrewshire; City of Edinburgh; Glasgow City; North Lanarkshire; Perth & Kinross.

6 Argyll & Bute, City of Edinburgh and Renfrewshire Councils volunteered to participate in this research.

## Part 2. Evidence of customer satisfaction



### Customer satisfaction is important in the public sector

**2.1** Customer service stretches far beyond simple customer contact. Good customer service is reflected in every aspect of delivery, from initial contact to final outcome. Councils therefore need to know whether they are providing a satisfactory level of service to customers and, if they wish to improve their services, whether there are sources of dissatisfaction. The obvious way to find out is to ask customers.

**2.2** Providing an unsatisfactory service may result in repeat requests for the service and/or complaints, both of which cost time and money. Therefore poor service, as well as dissatisfying customers, may be inefficient. Conversely, high customer satisfaction levels may assure councils that they are fulfilling their Best Value responsibilities.

**2.3** Information about customer satisfaction is important particularly to measure the effectiveness of customer service and target necessary improvements.

### Councils' research shows a wide range of customer satisfaction levels

**2.4** Audit Scotland asked councils what they do now to measure levels of customer satisfaction and whether they collected data about levels of customer satisfaction, when and in what form. Audit Scotland also asked for copies of relevant reports evidencing the most recent surveys to establish what evidence there was of common approaches and good practice.

**2.5** In response, 29 of the 32 councils (91%) reported they had collected data about levels of customer satisfaction since April 2000.<sup>7</sup> Exhibit 8 illustrates the range and diversity of approaches and results for these 29 councils, summarising what measure

of customer satisfaction was available from the most recent survey conducted by each. Some councils have completed many surveys since 2000 and the Exhibit summarises only the most recently available results.

**2.6** Exhibit 8 should be read with caution. The table is intended to illustrate the significant variation in survey methods, timing, scope and objectives (which are discussed below). Because of this variation, any comparison between individual survey results cannot be conclusive. While all the survey results are concerned with some dimension of customer satisfaction, the individual measures are not identical. For example, it is typical for customer surveys to show significantly different scores for satisfaction with how a contact is handled compared to satisfaction with outcome.<sup>8</sup> Without a consistent approach to survey design across all councils it is not possible to make direct comparisons between them.

<sup>7</sup> Dumfries & Galloway Council, Moray Council and Orkney Council reported they had not collected any customer satisfaction data since April 2000.

<sup>8</sup> One council cited a benchmarking database of responses from 1.7 million survey respondents published in 2003, showing that while 86% were positive when asked about the helpfulness of staff, only 60% were happy with how quickly their complaints were dealt with.

## Exhibit 8

### Council surveys of customer opinions 2000 – 2004

Council	Survey scope	Survey date	Survey method	Survey base	Measure of customer satisfaction *	Per cent satisfied **
Aberdeenshire	All services	October 2002	Residents' survey	3,330	Satisfaction with most recent contact	60%
Argyll & Bute	All local public services	Spring 2003	Citizens' panel survey	630	Quality of customer service	90-92%
City of Edinburgh	All services	December 2001	Citizens' panel survey	1,292	Does the council provide good customer service?	59%
Clackmannanshire	All services	March 2002	Survey	1,044	Quality of customer service	91%
Comhairle nan Eillean Sàr	All services	July 2003	Customer survey	504	Satisfied with service received	87%
Dundee City	All services	August 2004	Annual face-to-face survey	400	Satisfaction with outcome of contact (office visit & telephone)	62-71%
East Dunbartonshire	All services	April 2004	Telephone and face-to-face surveys	700	Satisfaction with overall service	86%
East Renfrewshire	All services	February 2004	Citizens' panel survey	601	Satisfaction with services	74%
Falkirk	All services	2004	Questionnaire	3,490	Satisfaction with overall service (writing, telephone, in person)	35-71%
Glasgow City	All services	Spring 2004	Citizens' panel survey	1,261	Satisfaction with individual services	34-90%
Highland	All services	June/July 2003	Questionnaire	1,377	Overall satisfaction with services	78%
Inverclyde	All services	January 2002	Face-to-face survey	600	Satisfaction with contacts	53-68%
North Ayrshire	All services	Spring 2004	Household survey	5,612	Satisfaction with council services	18-75%
North Lanarkshire	All services	November 2002	Residents' survey	2,758	Satisfaction with outcome	74%
Perth & Kinross	All services	September 2003	Survey of citizens' panel	852	Satisfaction with way enquiry was dealt with	75%
Renfrewshire	All services	September 2003	Panel survey	~1,000	Satisfaction with service provided by council	16-82%
Shetland	All services	Spring 2004	Survey	600	Satisfaction with final outcome of enquiry	65%
Aberdeen City	Contact centre	October 2004	Survey of service users	230	Satisfaction with the overall service provided	97%
Angus	Selected services	January 2001	Citizens' panel survey	Various (196 to 793)	Satisfaction with services (excludes "don't know" responses)	32-89%
East Ayrshire	Individual services	Various (seven since 2000)	Surveys of service users	Various (49 to 348)	Satisfaction with service	41-96%
East Lothian	One contact point	November 2002	Consultation with visitors	198	Overall satisfaction with service received today	95%
Fife	Local office service	June 2004	Interviews	438	Overall satisfaction with contact with council	95%
Midlothian	Selected services	2003	Reception surveys	Various (70 to 146)	Satisfaction with visit	91-97%
Scottish Borders	Selected offices	July 2000	Peoples' panel survey	~1,800	Satisfaction with outcome of contact	64-70%
South Ayrshire	17 priority service areas	September 2003	Citizens' panel survey	879	Delivery of service not rated poor or very poor	52-91%
South Lanarkshire	Pilot contact centre	February 2004	Survey of service users	250	Customer service rating (combined excellent and good)	99%
Stirling	Selected services	November 2002	Residents' survey	944	User satisfaction with individual services	19-87%
West Dunbartonshire	Technical services	December 2003	Survey of service users	332	Satisfaction with services	93-100%
West Lothian	Housing information & advice	February 2004	Survey of service users	67	Satisfaction with the way the query was dealt with	91%

Notes: \* Some surveys included more than one measure of customer satisfaction; we have selected only one in each case.

\*\* We have cited only satisfaction levels (where known). In addition to satisfaction/dissatisfaction most surveys provided for "Don't know" or "Neither satisfied nor dissatisfied" responses.

Source: Audit Scotland

## Exhibit 9

### Satisfaction with council services – Scottish household survey findings

Service	Per cent very satisfied/ fairly satisfied	Per cent fairly dissatisfied/ very dissatisfied	Sample size (range 1999-2002)
Trading standards/Consumer protection	67-80%	12-25%	89-103
Refuse/bin collection	72-74%	21-23%	1,319-1,474
Planning	61-65%	22-27%	564-632
Street/Road lighting	61-64%	30-33%	439-4478
Council tax	56-62%	30-34%	1,426-1,566
Building control	54-61%	32-39%	560-674
Environmental health	56-60%	32-35%	639-704
Street cleaning/Dog fouling	37-49%	45-53%	226-246
Road repairs/Potholes	33-44%	47-57%	364-436
Winter maintenance eg, gritting	32-41%	50-57%	122-199
Pavements	30-38%	53-61%	150-197

**Note:** The range in each case is the minimum and maximum value for each service taking four years' results together.

**Source:** Scottish household survey 1999-2002 and Scottish Executive

For example, the fact that a survey of 'quality of customer service' for all services in Argyll & Bute in 2003 recorded 90-92% satisfaction does not necessarily mean that people there are really getting better service than people in, say, Dundee, where a survey in 2004 of the 'outcome of contacts' recorded 62-71% satisfaction.

**2.7** However, even though it is not possible to make direct comparisons, there appears to be a very wide range of customer satisfaction levels between individual councils and, for some councils, between individual services. Notwithstanding the anomalies, 17 councils had surveyed users of all services, with maximum satisfaction levels ranging between 59% and 92%. Although these variations could partly be the result of the different survey approaches adopted, they do not give assurance that councils are consistently performing to high standards in the view of their customers.

**2.8** The Scottish Executive's annual Scottish household survey,<sup>9</sup> for years 1999 to 2002, provided additional data about customer satisfaction with council services. The survey asked respondents how satisfied they were with their contacts with councils for 11 important services. The survey had satisfaction data for all councils but the sample bases for some services and councils were too small for the results to be statistically representative for individual councils. Instead, the Executive analysed the findings to show the average level of satisfaction for all councils combined for each of the sampled services for each year. Exhibit 9 summarises these results for the four-year survey period.

**2.9** The Scottish household survey results also showed a wide range of satisfaction amongst customers of council services. The highest satisfaction level recorded for any service was 80% but for eight of the 11 services at least 30% of

respondents were fairly or very dissatisfied. The survey has not included questions on satisfaction since 2002, although it is not clear why.

**2.10** There is scope for the survey to reintroduce questions on customer satisfaction and for them to be expanded to cover a wider range of services.

#### Councils should improve how they research customers' opinions on service

**2.11** It is evident from Exhibit 8 (page 11) that councils see surveys as a useful source of information. But where they have collected data about customer satisfaction there are big differences in approaches and styles. Councils have variously sought customers' views on:

- perceptions of councils' performance overall across all services

<sup>9</sup> The survey is based on a representative sample of the whole Scottish adult population. For more information, see <http://www.scotland.gov.uk/about/SR/CRU-SocInc/00016002/SHSintro.aspx>

## Exhibit 10

### Good practice on customer consultation and opinion research

#### COSLA guidance on consultation

Aberdeenshire Council's consultation policy (established after creation of the council in 1996) emphasised the need for the council to consult and engage customers.

Its 1998 guidance to staff on *Consulting & Involving Customers & Citizens* provides a well-constructed, clear and full 'toolkit' of methods for encouraging customer involvement and participation.

This guidance formed the basis for the national COSLA guidance on consultation published later in 1998 – *Focusing on Citizens: a guide to approaches and methods*.

#### Accounts Commission

The Accounts Commission's 1999 report *Can't get no satisfaction: Using a gap approach to measure service quality* provides additional advice on how councils can use a gap analysis approach to measuring service quality.

Source: Aberdeenshire Council/COSLA/Accounts Commission

- the performance of specified individual services
- experience of specific facilities
- specific methods of service delivery (including how easy it was to access the service and aspects such as the professionalism and level of knowledge of the staff).

**2.12** Other methods used by councils include: questionnaires to service users, interviews, focus groups, and citizens' panels. Although all these approaches are valid the range of approaches does not foster comparisons between services, councils or over time.

**2.13** Conducting customer surveys cyclically can help to demonstrate trends and whether services are improving over time. But only 12 of 29 councils that collected data about customer satisfaction ([Exhibit 8, page 11](#)) have done so cyclically. In other cases, the pattern is that surveys of customer opinion are not part of a long term plan to track how customers' perceptions may change.

The seven councils Audit Scotland visited had varying approaches to the use of surveys. Four of the seven had established citizens' panels, to allow regular canvassing of the public on local issues. These councils had consulted panels on a wide range of issues, but panel surveys did not always include the quality of customer service. Only two of the seven councils had a council-wide policy covering the systematic use of customer satisfaction surveys and issues such as when to conduct them, for which services, how often and how to use the results to assess and improve performance.

**2.14** However, the City of Edinburgh Council's Housing Department does operate a customer research programme, comprising two key strands:

- A core programme of regular surveys and reviews.
- Other surveys geared towards the evaluation of new initiatives. Surveys and reviews conducted in this programme are often brought into the core programme.

**2.15** Individual services or external research organisations may undertake individual studies. A research and policy team within the housing department coordinates the programme and evaluates all survey results, with the aim of addressing any problems identified. The Council plans to extend this approach to other parts of the organisation.

**2.16** Given that all councils, regardless of size, provide a broadly similar range of services, there is scope for improving the consistency of their approach to researching customer opinion. Some years ago, COSLA developed standard survey questions based on those most frequently asked by their members as well as a benchmarking database developed in conjunction with the survey questions to help share good practice between councils. However both have been little used by councils. **If such a benchmarking tool is to be worthwhile, it will require the support and commitment of the councils who are to use it.**

## Councils should obtain and use customer opinion research

### Councils need information about customers' expectations and satisfaction with their services

**2.17** With different methods available for obtaining information about customer service satisfaction and expectations, councils have an opportunity to build on existing good practice and experience (Exhibit 10, page 13).

**2.18** Satisfaction surveys are not just about asking customers what they think of the service at the end of the process. **Managing the expectations of customers may have a significant effect on their perceptions of service and, ultimately, overall satisfaction.**

- Finding out what customers want or expect is essential to providing good service. Customers assess service by comparing what they wanted or expected with their perception of what they received. It is harder to satisfy someone with high expectations than someone with low expectations. **Councils should consider survey approaches which take into account customer expectations as well as perceptions of service.**<sup>10</sup>
- Customers' expectations may change over time. For example, an increase in the use of the internet and email may lead to customers expecting quicker response times than with traditional mail. Councils therefore should ensure the data they hold is up-to-date.

### Councils should clarify what standards of customer service they will provide

**2.19** Improving satisfaction can be thought of as narrowing the gap between the standards of service currently delivered and the standards of service customers want.

**2.20** By defining and publishing what standard of service they seek to provide, councils let customers know what they can expect, and reinforce accountability.

**2.21** Setting standards can help manage customers' expectations, and contribute to reducing the gap between expectations and the level of service delivered. Councils should ask customers what they want from a service in clearly worded, objective statements of measurement. For example:

- I want to have my housing benefit application processed accurately and payments to begin within x weeks.
- I want to be seen by the right member of staff within x minutes of my arrival at a local office.

**2.22** Without clear service standards customers do not know what they can realistically expect and there is a weak basis for accountability. Setting standards is not easy and councils should adopt a systematic approach taking account of:

- high-volume services affecting many customers
- high-impact services, where the benefit for the customer (or the cost for the council of providing the service) may be comparatively high

- areas where performance is known to require improvement
- areas where good data to measure performance against standards can be obtained relatively easily and cheaply.

**2.23** Audit Scotland found only one council, East Renfrewshire, had set and published a comprehensive set of performance standards that include measurable customer service standards, although other councils are developing such standards. In particular, one of the seven councils Audit Scotland visited was considering possible standards as part of a commitment to continuous improvement and their response to the duty of Best Value.

### Satisfaction surveys need to be targeted and well-timed

**2.24** Councils should, as far as possible, target customer satisfaction surveys at people they know are likely to be service users, rather than at a sample of residents, otherwise the findings are likely to be unrepresentative. Fourteen of the 29 councils that had collected data about customer satisfaction (Exhibit 8, page 11) appeared to have targeted users in this way.

**2.25** Because councils provide a wide range of services they often use large-scale surveys of residents or members of citizens' panels. This may help if councils want feedback from potential as well as actual service users. Also, large-scale surveys increase the chance of capturing the views of users of any individual service. However, paradoxically, because some respondents may not be users of some services the resulting

<sup>10</sup> Customers form their expectations as a result of a variety of factors. The Commission's 1999 report *Can't get no satisfaction: Using a gap approach to measure service quality* discussed why expectations are important and how councils could design surveys to compare customer perceptions of service against their expectations.



## Exhibit 11

### People like to know how opinion survey results are used

#### Perth & Kinross Council's *Viewfinder*

*Viewfinder* is Perth & Kinross Council's customer consultation process. The *Viewfinder* panel of 1,000 people is a cross-section of people representative of the wider population in the Perth & Kinross area. The Council surveys the panel members three times each year. It communicates the results from the surveys back to panel members through *Viewfinder Update*, its regular newsletter to panel members.

The following is an extract from *Viewfinder Update* in September 2002, following the tenth questionnaire issued to panel members.

#### Importance of receiving information about *Viewfinder* results and use of findings

The majority of respondents (92%) think that it is important to get information about the results of *Viewfinder* questionnaires. 56% of respondents think that it is very important and 36% fairly important to get information about *Viewfinder* results.

An even greater proportion (66%) think that it is very important to get information on how the council has used *Viewfinder* results. Over a quarter (27%) of those people who expressed an opinion think that it is fairly important to get this information.

Source: Perth & Kinross Council

customer satisfaction ratings may not accurately represent users' views.<sup>11</sup> Councils' customer satisfaction surveys should therefore pursue approaches which will maximise the number of actual service users within the total sample.

**2.26** Timing of customer satisfaction information is also important. In Audit Scotland's survey, only five of 17 councils have carried out annual satisfaction surveys covering all services. Frequently there was no evidence of a planned cycle of coverage, though a few councils have made customer surveys an integral part of service delivery. For example, the Transportation and Infrastructure Department of Aberdeenshire Council issues a survey form to residents every time roadworks are completed to help assess the effect and quality of the work before, during and after completion of the work. Similarly, North Ayrshire Council conducts customer satisfaction surveys quarterly, to help assess the

performance of its customer contact centre. Gathering information on a regular basis allows councils to assess whether activities to improve satisfaction have been successful.

**2.27** Where customers give feedback to councils, they might reasonably expect to be told how the council intends to address sources of dissatisfaction, as experience from Perth & Kinross Council shows (Exhibit 11).

**2.28** Councils should consider not only how they make use of information from customers to improve services, but also how they tell customers about what they plan to do, or what they have done, to improve service or to address causes of dissatisfaction.

#### Mystery customer research

**2.29** Mystery customer or mystery shopper research involves someone posing as a customer to assess at first hand whether an organisation

provides an effective level of service. Because the organisation's staff do not know who the mystery customer is, their response to an enquiry should match what a 'real' customer will experience.

**2.30** Trained assessors provide an independent, consistent and systematic assessment of customer service quality. Mystery customer research is most useful where the service provided is relatively simple (and it is not difficult to devise realistic enquiries to form the basis of the assessment). It may be less useful when assessing complex processes because it can be difficult to generate really testing enquiries about outcomes.<sup>12</sup> For example, a social work enquiry may require an established customer history if it is to be a realistic test.

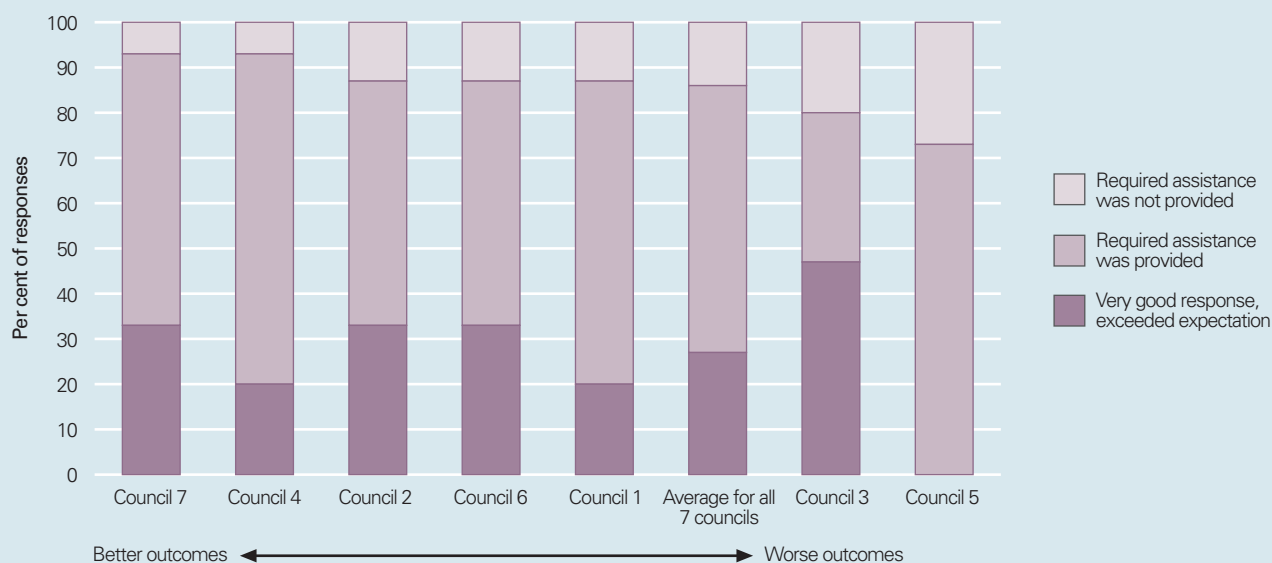
**2.31** Audit Scotland commissioned an independent market research consultancy (George Street Research) to conduct mystery customer assessments across the

<sup>11</sup> For example, Aberdeenshire Council residents' survey 2002 showed that 49% of respondents were satisfied with council housing services, but many of these respondents were not council house residents.

<sup>12</sup> Although, as Part 3 shows, our research on customer contacts found that complex enquiries are comparatively rare in Scottish councils.

## Exhibit 12

### Outcome of mystery shopper research in seven councils



Source: Audit Scotland

seven councils included as study sites for this report. The research used a sample of scenarios to examine aspects of service delivery. It included 105 mystery customer assessments across the seven councils and involved a mix of contacts by telephone, personal visits and email enquiry. The range of subjects covered was selected to include a range of different council services and included some tests of outcomes achieved.

**2.32** The research explored two key aspects of customer service:

- the outcome of the enquiry in each case and whether the researcher was able to conclude they had received the information or assistance they had set out to obtain
- how councils handled each request; this involved a systematic assessment of the way in which the council responded to the researcher, including aspects such as how

easy it was to contact the council, how quickly the council responded, any waiting times and the quality and style of communication with the customer.

**2.33** With regard to outcomes, the researchers mostly got the assistance they sought. The researchers' assessment in this area was that they received, in 27% of cases, a very good response, exceeding the mere information requirements of the enquiry. They got a satisfactory response fulfilling the requirements of the enquiry in 59% of cases. However:

- Overall, in 14% of cases, the assessors considered they had not received the required assistance at the end of the process.
- There was variability within the results. The researchers got appreciably better or worse outcomes in some councils than in others. The least satisfactory result for any one council was that the researchers did not

receive the required assistance at the end in 27% of assessments.

Exhibit 12 summarises the outcomes of the mystery shopping enquiries across the seven councils.

**2.34** Cases where staff could not answer an enquiry were uncommon – in most cases the researchers got what they asked for – but in those cases follow-up was often weak too. Where an inquiry could not be answered the researchers received few suggestions about whether they should seek help from another organisation. Researchers considered it helpful when staff offered to find information and forward it later. But where follow-up action or material was promised, it often did not materialise (in 39% of cases involving telephone contact and in 100% of cases involving face-to-face contact), which represented poor service.

**2.35** With regard to how councils handled each request – response times and the quality and style of communication – the researchers'

## Exhibit 13

### How well councils welcome, listen to and communicate with customers

Strengths	Areas for improvement
<ul style="list-style-type: none"> <li>• Staff greeted the customer clearly in 90% of cases.</li> <li>• Staff friendliness was rated as quite good or very good in 88% (initial contact) and 89% (final contact) of cases.</li> <li>• Staff appeared to give their full attention in over 90% of cases, and to sound interested in over 80% of cases.</li> <li>• Staff created a positive impression that they knew how to help in 86% of cases.</li> </ul>	<ul style="list-style-type: none"> <li>• 'Can I help you?' was used much more frequently during personal visits than telephone calls. Staff answering telephones should consider using this introduction more often to promote better communication with customers.</li> <li>• Staff at the initial point of contact, gave their names in around 20% of cases; at the final point of contact in 31% of cases (telephone) and 71% (personal visits).</li> <li>• For the first face-to-face contact eye contact and smiling were evident in only 60% of cases; for final face-to-face contacts, eye contact was evident in 79% of cases but smiling in only 18%.</li> <li>• Organisation name was provided in 43% of initial telephone contacts; the office or department in 53% of cases.</li> <li>• Often email contacts were rated lower than other contacts and lacked the 'conventional graces'.</li> <li>• Staff sounded negative or hesitant in around 13% of cases.</li> <li>• Where there was benchmark information from other organisations, the councils generally performed at a lower standard. (The benchmark organisations were a financial services provider with high street offices; and another public sector call centre provider.)</li> </ul>

Source: Audit Scotland/Mystery customer research in seven councils

**assessments were often positive, although the variability of results achieved was a significant issue.** Even where double enquiries were made about the same subject to the same council, the results showed the council did not achieve a consistent level of performance. Much depended on the individual members of staff the researchers contacted.

**2.36** In 38% of all enquiries, the right initial contact point proved difficult to find. **Councils should ensure contact points, and the services available from them, are clear in any publicity or marketing material eg, telephone directories and websites.**

**2.37** For telephone contacts, once contact had been made, but where a transfer was required, only 67% of calls were transferred correctly the first time. **Councils could improve internal 'signposting' and guidance for staff at the initial point of contact for customer enquiries.** Experience in two of seven councils Audit Scotland visited is that effective systems to help staff direct calls to the correct customer contact point within the council are difficult to devise and maintain unless someone is made responsible for ensuring it is up to date.

**2.38** Once the assessors reached the person who resolved the enquiry, telephone calls were answered quickly. And for personal visits the overall speed of response was also often good, with an average waiting time of three and a half minutes. At the extremes, though, individual waiting times varied significantly, from no wait to in excess of 20 minutes. The time taken to respond to emails also varied significantly, from six hours to 12 days. In terms of the quality of the contact (manner, etc), key findings are set out in [Exhibit 13 \(page 17\)](#).

**2.39** These findings suggest that there is scope to improve the ways in which councils treat customers when dealing with enquiries or requests. Improving these factors alone will not necessarily deliver complete satisfaction. But if councils do not treat customers well, this can contribute to customer dissatisfaction.

**2.40 Councils should consider improving training for staff dealing with customers.** Customer care is already an important feature of staff training and development. However, it is not clear that all councils monitor whether the training has been effective. **Councils should consider using methods like mystery customer research to reinforce training and help to identify where additional effort may be needed.**

#### **Councils should make better use of feedback from customers**

**2.41** Customer complaints can provide a useful guide to areas of poor performance. From our seven council visits and other research,<sup>13</sup> most councils have in place a corporate complaints and/or comments scheme or principles. However, findings from those councils Audit Scotland visited suggested few systematically monitor and analyse complaints.

**2.42** Many councils have defined two levels of complaints: those which are resolved at the first point of contact; and those which are subject to some form of escalation or centralised control. Often staff are asked to resolve complaints at a local level wherever possible ie, at first point of contact. These initially resolved complaints are not generally recorded on any corporate database. Although individual service teams may be

aware of common concerns or trends, without the means for monitoring there is no guarantee that they or managers will receive, and be able to act on, that information.

**2.43** Where complaint recording systems are operated information about complaint data eg, trends etc should be reported to senior management, to allow any council-wide concerns to be identified and addressed and other comparisons to be made. However, amongst the councils Audit Scotland visited, only two, Aberdeenshire and East Renfrewshire, prepared such reports on a regular basis ([Exhibit 14](#)).

**2.44** A complaints process should serve two purposes. First, it should allow for individual customers to raise concerns about the service they have received, and to have those concerns addressed. Second, it should allow services, or the council as a whole, to identify common issues which might be addressed through changes in working practice or policy.

**2.45 From Audit Scotland's work in seven councils, there was little evidence that councils systematically use feedback from complaints to improve services.** This is partly because the complaints received by any council constitute only a small proportion of the overall number of customer contacts. However, complaints warrant further investigation to establish whether they are indicative of a wider problem.

## Exhibit 14

### Methods of monitoring complaints

Council	Council-wide policy for complaints?	Complaints-monitoring arrangements	Council-wide reporting arrangements
Aberdeenshire	Yes	Departmental	Annually to senior management team
East Lothian	Yes	Departmental	None
East Renfrewshire	Yes	Central	Every six months to Council Cabinet
City of Edinburgh	Yes	Departmental	None
Glasgow City	No	Departmental	None
North Lanarkshire	Yes	Departmental	None
Perth and Kinross	Yes	Departmental	Infrequent

Source: Audit Scotland/councils

## Summary and recommendations

**2.46** Customer satisfaction is important in the public sector, yet there are big differences in how councils collect research data about customers' views. Individual councils' survey approaches are valid but the differences between them do not allow direct comparisons of services or councils. There appears to be a very wide range of customer satisfaction levels between individual councils and individual services. Seventeen councils have surveyed users of all services, with maximum satisfaction levels ranging between 59% and 92%. Although these variations could partly be the result of the different survey approaches adopted, they do not give assurance that councils are consistently performing to high standards in the view of their customers.

**2.47** Our mystery customer research in seven councils suggests that customers often get what they are looking for from the council, and concluded that in 86% of cases they got a very good or satisfactory response, exceeding or satisfying the requirements of the inquiry. But the results also showed variability in the responses.

**2.48** Councils should therefore improve how they research customer satisfaction with service in the following ways:

- 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.
- 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 or will use information from surveys to improve services and tackle causes of dissatisfaction.

# Part 3. Improving access to services through better customer contact



**3.1** Part 3 is concerned with how councils help millions of customers to contact them every year.

## Councils should make it easy for customers to access their services

**3.2** Under the Modernising Government approach, councils should provide services to customers at times and using methods that are efficient, convenient and meet people's expectations. The underlying elements of good practice for customer contact are that councils should:

- research who their customers are, what services they want and how and when services should be provided
- provide services through different channels (face-to-face, telephone, internet) to meet customers' preferences, within available resources

- provide services jointly with other organisations where customers would benefit
- provide services outside normal office hours where the demand exists
- exploit new technology to improve service
- take a holistic view of service, and ensure underlying ("back office") systems are capable of supporting good customer service
- promote equal access to services by all customers.

## Councils answer tens of millions of customer enquiries every year

**3.3** Audit Scotland's survey of 32 councils asked for information that councils had obtained, if any, on customer contacts, including the number, type and complexity of enquiries. The survey found that 17 councils had collected some information on current methods of

customer contact and/or customers' preferred methods of contact. However, only two councils could offer any data about contacts across all main departments.<sup>14</sup>

**3.4** Audit Scotland conducted research jointly with three volunteer councils to understand better what information can be obtained about how councils communicate with their customers. The research included work to estimate total contact volumes within each council, and to assess the range and complexity of the contacts made. To illustrate the data, [Exhibit 15](#) summarises the outcome of the research Audit Scotland undertook jointly with Renfrewshire Council as part of the study to explore how to capture data on the volume, type and complexity of customer contact.

**3.5** [Exhibit 16 \(page 22\)](#), combines the data about customer contacts from Audit Scotland's research with these councils with similar data from two other councils, provided in response to Audit Scotland's survey of all councils.

<sup>14</sup> The two councils were South Ayrshire and Stirling. Five other councils offered some information about customer contacts that was restricted to individual departments. Audit Scotland excluded this information as it did not help to estimate total contact volumes.

## Exhibit 15

### Customer contacts in Renfrewshire Council

All departments in Renfrewshire Council monitored customer contact for one week in October 2003. During the week, staff at a large sample of telephone and face-to-face contact points were asked to log all customer contacts (including email). The aim was to collect data on the volume, type and complexity of contacts with customers.

Logging focused on customers seeking information or making some form of enquiry. Although the logging included a large number of contact points it was not designed to capture very simple transactions eg, people presenting themselves at the front desk of a swimming-pool to buy an entrance ticket.

37,000 customer contacts were logged in the week as follows:

Department	Number of contact points	Number of contacts in a week
Education & Leisure Services	36	14,500
Corporate Services	59	11,600
Housing & Property	29	3,500
Social Work	23	4,100
Finance & IT	51	1,500
Planning & Transport	7	800
Environment Services	13	700
Chief Executive	5	200
<b>Total</b>	<b>223</b>	<b>36,800</b>

Based on these results (and allowing for under reporting in some areas), the council may receive 1.4 million contacts a year at these contact points (excluding contacts from customers in public libraries, see below).

Because not all contact points were surveyed, Audit Scotland could not make a complete estimate of the total for the council as a whole. 1.4 million is a rough estimate because seasonal variations in the number of customer contacts may not be reflected in a one-week analysis.

53% of the contacts logged were face-to-face and 45% were telephone calls. Only 1% of contacts were emails (with a further 1% where the means of contact was not recorded). The high proportion of face-to-face contacts reflects the inclusion of local libraries within the Education & Leisure Services sample, where 90% of the recorded contacts were face-to-face. Excluding all Education & Leisure contacts, total telephone contacts amounted to 70% of all contacts where the method of contact was logged.

Staff classified 76% of contacts they logged as easy, 16% intermediate and only 8% complex. The highest proportion classified as complex was in the Planning & Transport Department, where 55% were complex. Again, this is a rough estimate as feedback from departments after the survey indicates the assessment of complexity depends on the competencies and experience of the staff involved.

## Exhibit 16

The number of customer contacts in five councils

Council	Reported contacts (a year)*	Total resident in council area**	Customer contacts per resident	Comments
Edinburgh	2.6 to 3.0 million	449,000	6 to 7	Outcome of research with Audit Scotland
Renfrewshire	1.4 million	173,000	8	Outcome of research with Audit Scotland
South Ayrshire	1.3 million	112,000	12	Letters, completed telephone calls and visitors to council offices
Argyll & Bute	0.5 to 1.0 million	91,000	5 to 11	Outcome of research with Audit Scotland
Stirling	0.7 million	86,000	8	Completed telephone calls and visitors to council offices and contact centre
All 5 councils	6.5 to 7.4 million	911,000	7 to 8	

**Notes:** \* For Renfrewshire Council the data exclude contacts from customers in public libraries. For City of Edinburgh Council the data exclude contacts from customers in social work centres.

\*\* Mid-year population estimates, taken from 2001 Population Report (Census 2001) General Register Office for Scotland.

Source: Audit Scotland

Exhibit 16 shows that for the five councils where there was data, there were between five and 12 contacts a year per resident, with an average of seven or eight contacts a year per resident.

**3.6** If the estimates in Exhibit 16 are extrapolated<sup>15</sup> they suggest that the 32 councils in Scotland may collectively deal with 35 to 40 million enquiries or more from customers every year.

### Most customers contact their council by telephone and most enquiries should be easy to answer

**3.7** Audit Scotland also sought information about the different ways customers contact councils and the nature of their enquiries. While precise figures cannot be obtained, the available evidence indicates that two out of every three customers contact their council by phone. Face-to-face contacts may account for around one in four of all

contacts. Contacts by other means, including email and letters, are least common, usually accounting for around one in ten contacts (Exhibit 17).

**3.8** Council websites receive many millions of hits annually. The data in Exhibit 17 do not include contacts that customers make via council websites. However, Audit Scotland found no evidence to suggest website activity is having any significant impact on the volume of contacts that customers make by other channels. In particular, there is no evidence that email and web-based contacts are substituting to any significant degree for phone and face-to-face contacts.

**3.9** Opinion survey research by Aberdeenshire Council about customers' preferred means of contacting councils suggests that younger people value email and websites as a means of communicating with their council. Research by Clackmannanshire Council has also found that

customers are interested in using text messaging to communicate with their council. Overall, though, few customers consider that these new communication methods should replace more traditional ways of getting in touch.

**3.10** As part of its joint research with three councils, Audit Scotland found that most customer enquiries concerned:

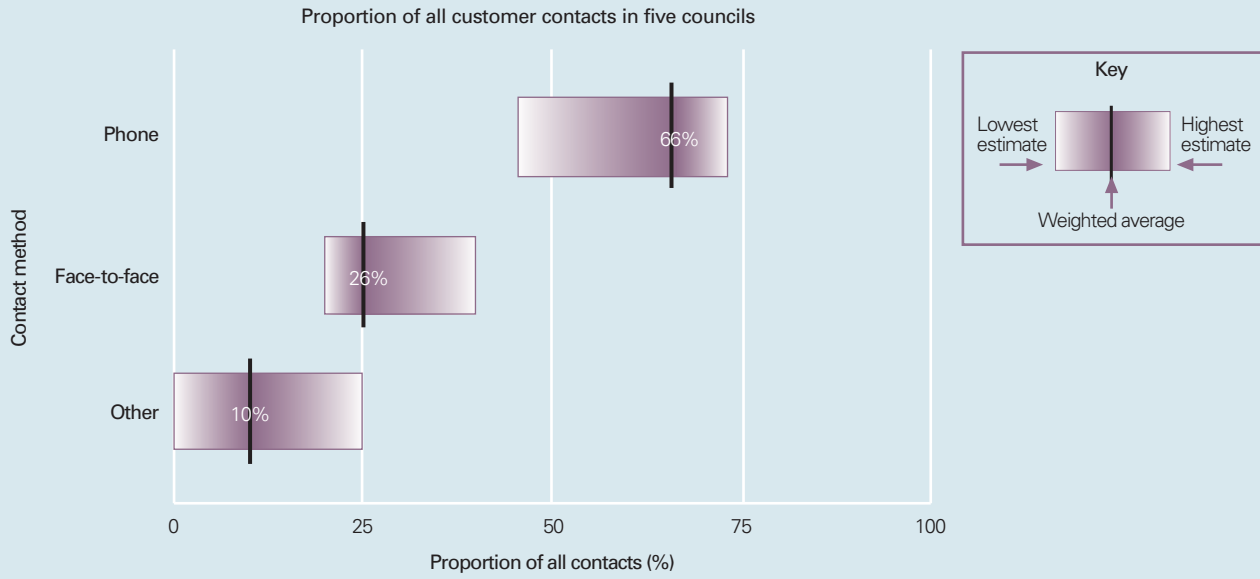
- housing (both housing advisory work and enquiries relating to tenant repairs)
- social work
- council tax administration
- benefits administration
- environmental services, such as rubbish collection
- main switchboard enquiries (usually resulting in transfer of the call to a service department).

<sup>15</sup> The estimates from Audit Scotland's joint research with three councils are based partly on manual counts for a sample of contact points for one week only (supplemented with data automatically recorded – for example, by telephone systems – where available). The estimates depend on extrapolation and assumptions about how well the sample represented the entire council's activity for a much longer period.



### Exhibit 17

#### Two out of three customers contact their council by phone

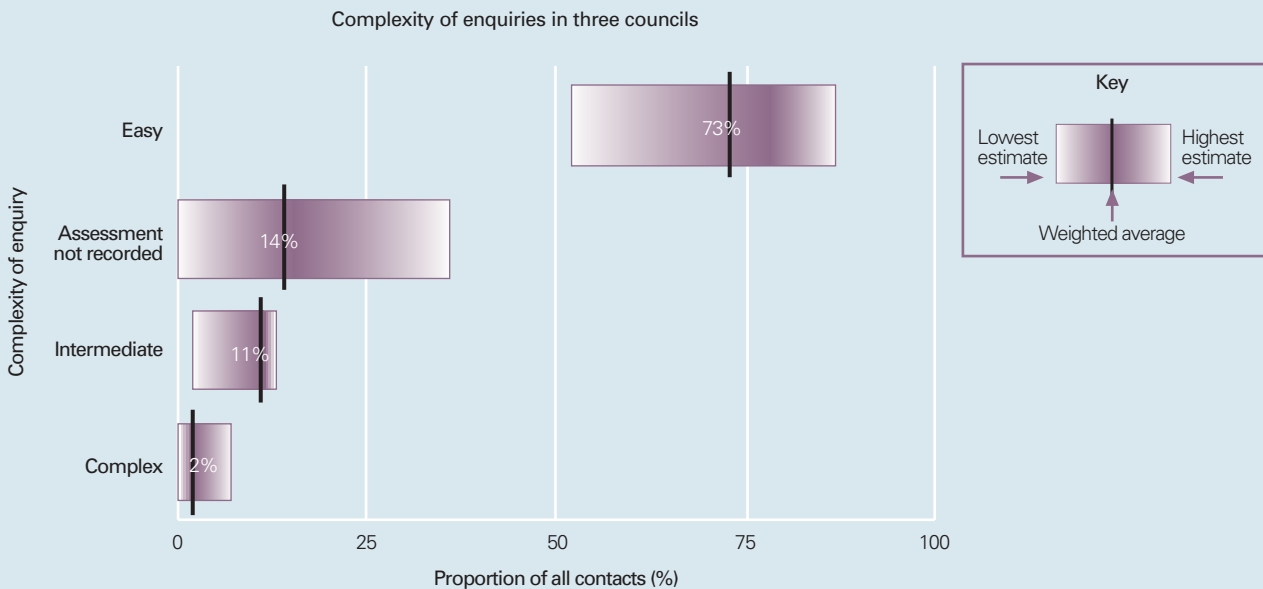


Note: 'Other' includes email and letters.

Source: Audit Scotland

### Exhibit 18

#### Most customer enquiries should be easy to answer



Staff assessed the complexity of a large sample of enquiries in three categories:

- Easy – Contacts which staff considered easy, straightforward or routine.
- Intermediate – Some initiative or thought by staff was needed.
- Complex – Needed several procedures or to be passed to others to resolve.

Not all assessments were recorded due to work pressure at peak times.

Source: Audit Scotland research with three councils

**3.11** Despite the range of enquiries received, council staff categorised most of them as easy to answer (Exhibit 18, page 23).

### Better information about how customers contact councils will help improve services

**3.12** Knowing how many customers contact them, and why, helps councils to address important questions about how well they manage and how they can improve communication with, and service to, customers. For example:

- North Ayrshire Council, as part of its work to research its customer contact strategy, found that it did not answer about a third of all telephone calls received. In some critical departments the proportion of calls answered was much lower. For example, the council was answering only 13-17% of some 200,000 calls a year to its council tax and debt recovery sections; and the council's emergency repairs section was answering only about 31% of more than 110,000 calls a year. The Council subsequently introduced a dedicated telephone contact centre, which has improved call-answering performance.
- Falkirk Council, in a similar exercise, discovered that it was answering only 21% of calls made to its cleansing and special uplift line. The Council subsequently introduced a dedicated telephone contact centre, which has improved call-answering performance.
- In Perth & Kinross Council, monitoring showed that its council tax revenue team answered at best only around

80% of all calls received, dropping to around 50-60% at peak periods, for example when council tax demands were issued.

Such high rates of missed calls are likely to lead to customer dissatisfaction or lost income if revenue is not collected.

**3.13** Information about customer contacts can help councils plan services, for example:

- Information about the number of contacts that need to be redirected can help councils to improve signposting of services to customers.
- If councils are developing call or contact centres, information about activity levels will help in planning improvements in service.
- Information about the busiest contact points can prompt important questions about the design of service delivery. For example, research in Renfrewshire Council highlighted that a large number of visits to libraries were requests for information unrelated to the library service. This prompted the council to consider action to meet better this demand in its libraries.

### Providing a dedicated first point of contact should help councils improve customer service

**3.14** Audit Scotland's survey of councils confirmed that 16 councils were operating call or contact centres in 2004 and four other councils had plans to introduce them. 19 councils also reported they operated a network of first-stop shops or similar facilities. **Most council call and contact centres started operations in 2002 or 2003 and first-stop shops are also**

**comparatively recent.** Broadly the aim is to improve the quality of service, including speed of response to customer enquires, and the consistency of information provided.

**3.15** The new contact centres and first-stop shops provide information and service to varying degrees and depth.

- They often provide general information about a wide range of council services. Contact centres may answer a large proportion of total calls to the council, particularly if the services covered include the council's main general enquiry or switchboard number.
- However, in most cases there is a relatively narrow range of services available to customers directly from contact centres and first-stop shops. This means for many services, customer service staff can only provide general information and must transfer many customers to someone else in the council (but outside the contact centre) to answer the enquiry.

**3.16** Audit Scotland sought information about the costs of improvements councils have made to the way in which they respond to customers' enquiries. In Audit Scotland's survey, most councils reported projects under way to improve customer service, but the information available about their costs varied. For example, some councils simply indicated that they were involved in consortium/joint bids for MGF grants (Exhibit 6, page 7) without specifying what the projects were or their costs. Exhibit 19 indicates the cost of projects which could be identified from Audit Scotland's survey.

## Exhibit 19

### Typical costs of customer service improvement projects

Initiative/Project	Number of councils	Range of costs for each project
Establishment or further development of customer contact/service centre	8	£0.2 million to £1.8 million
Website development	7	Generally cited as ongoing revenue investment, although one council estimated costs of £1 million
Development of customer relationship management (CRM) system	6	£0.2 million to £0.8 million
Development of 'smart cards'	6	£1.1 million to £2.5 million
Further development of first-stop shops/access points/community portals	5	£40,000 to £1.3 million
Business improvement/re-engineering	3	£60,000 to £120,000 a year
Document image processing	2	£0.2 million (one council)

Source: Audit Scotland

**3.17** MGF monies have provided a major source of funding for capital spending on new customer facilities and IT systems to support customer service by councils. In addition to one-off capital costs, the councils have incurred annual running costs (mainly staff costs) from operating the new contact centres and other facilities. From Audit Scotland's examination of customer service improvements within seven councils, it appears that, usually, internal transfers of budgets from other departments that the new facilities support largely or wholly fund these staff costs. Consequently, councils' net additional running costs from introducing initiatives such as the new centres appear to be low or non-existent.

**3.18** Exhibit 20 (page 26) is an example of a customer service improvement project which East Renfrewshire Council has successfully implemented. It describes the case for the

investment, the key elements of the improved service and how the project was funded.

**3.19** In Audit Scotland's survey, for each of 11 generic service areas (such as 'housing' and 'social work') councils were asked to categorise the range of services available to customers from shops and contact centres within three levels of cover.<sup>16</sup> The results show that most contact centres and shops provide the highest level of cover to one or two service areas only. The most commonly covered service areas are housing, finance, the environment and roads & transport (Exhibit 21, page 28). However, Audit Scotland's research shows that 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.

**3.20** Dedicated points of contact can provide other benefits to councils and customers, in addition to improving speed of response to customer enquiries. If councils dedicate staff to answering enquiries from customers and concentrate on the most common enquiries, they can improve the consistency and quality of responses through standardisation, specialisation and common training. Dedication also promotes new opportunities to analyse and improve performance.

**3.21** However, information about the improvements in the quality of service that the new contact centres and first-stop shops achieve is not available systematically. The data on council call centres which Audit Scotland examined is patchy, but the latest available data for Glasgow City Council and North Lanarkshire Council show abandoned calls to each of their telephone contact centres were 2% (in 2003/04) and 3% (April 2004 to January 2005) respectively. In addition to this

<sup>16</sup> The three levels of cover for each service area were "all or most services", "some services", "little or no services/information only".

## Exhibit 20

### East Renfrewshire's Customer First project

#### East Renfrewshire Council's vision for customer service

Key objectives in the council's Corporate Strategy for Customer Contact – *Customer First* (2000) included:

- delivering the highest quality, user friendly, total customer service via a variety of contact channels
- creating an effective corporate staff team to develop a customer focused culture
- resolving a large percentage of all customer enquiries at first point of contact
- standardising front line services across the council to the council's corporate customer service standard
- seeking joined-up service delivery by working closely with the service areas and external agencies.

Subsidiary objectives included: moving towards a 24-hour council; dealing with a wide range of customer requests at the first point of contact; and developing electronic means of service delivery, where appropriate, to reduce costs.

The council developed this strategy in response to a best value review of customer contact and modernisation in May 2000. The review found service standards needed to be improved and modernised. For example, it found that for telephone enquiries, unanswered calls from customers often represented between 40% and 70% of all traffic to individual departments; visitors to council offices were generally satisfied with the service, though reception areas did not provide good facilities for efficient face-to-face contact.

#### *Customer First*

In parallel with the best value review reported in 2000, the council developed an option for radical improvements in customer service to be part-funded with support from the Scottish Executive's MGF.

A key aspect of this was setting up a new customer service function, *Customer First*, including a centralised, purpose-built contact centre for most general inquiries by phone and in person in Barrhead. This was incorporated in the council's larger project for a new-build office in Barrhead.

In addition to the main contact centre, there are two satellite offices (service centres) from which the *Customer First* functions are delivered.

Key features of the new service include:

- improved access – the contact centre is open for calls and visitors 8am to 6pm Monday to Friday
- scope of the contact centre includes most Council Tax inquiries, all special uplifts, complaints, all blue badge applications and general inquiries across the full range of other council services
- dedicated staff serving customers with suitable skills and training
- customer relationship management system, so that staff can track contacts (including previous history).

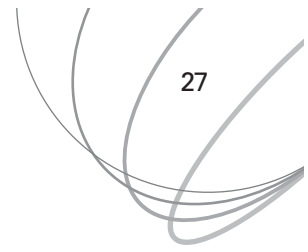
#### Funding *Customer First* – capital investment

MGF funds were secured (see table) and the new service commenced in January 2002. Staff transferred to the new HQ in Barrhead when it opened in November 2002. The total staff complement for this service was 17 at the time of our visit.

Source	2000/01	2001/02	2002/03	2003/04	Total
Modernising Government Fund	£280,000	£520,000	-	-	£800,000
East Renfrewshire – capital	£100,000	£250,000	£200,000	£300,000	£850,000
	£380,000	£770,000	£200,000	£300,000	£1,650,000

Some £1.3 million of the total investment of £1.65 million was for new IT systems and equipment to facilitate the contact centre. The balance of costs arises from staff training and new accommodation.

The council estimated annual running costs at £479,900 for 2002/03 and £637,276 for 2003/04 (primarily staff costs). Staff costs are funded by internal transfer of budgets from the main departments that the contact centre supports, including Finance, Education, Social Work and Housing & Commercial Operations.



indication of improved responsiveness, surveys of customers provide important evidence about the quality of service. For example, surveys by North Lanarkshire Council in 2002 show evidence of significant improvement in customers' satisfaction with first-stop shops and in all residents' satisfaction with how the council responded to their enquiries ([Exhibits 22 and 23, page 29](#)).

### **Councils can improve responsiveness by extending their opening hours**

**3.22** Most councils offer customers only emergency services outside standard office hours although, where they are established, contact centres and first-stop shops sometimes offer extended opening times ([Exhibit 24, page 30](#)).

**3.23** Councils, of course, need to balance customers' expectations about when they can obtain council services against the higher costs of extended opening. Councils should market research demand to justify extended opening times. For example, after a period of pilot testing, in 2004 North Lanarkshire Council extended its telephone contact centre opening times from normal office hours to 8am-6pm Monday to Friday, 9am-noon Saturday, and 10am-2pm on public holidays (later extended to 9am-3pm on public holidays). These were the busiest times during the test period, with much lower demand at other times piloted, for example, weekday evenings after 6pm or Saturday afternoons. Subsequent monitoring showed that the council received some 400 more calls a week during the additional opening time, 6% of the total demand.

### **Technology can help to improve customer service**

**3.24** Many councils are employing technology to help improve services to customers. The key forms of technology councils are using to improve customer service are:

- website development
- CRM systems
- telephony systems.

#### **Websites**

**3.25** In Audit Scotland's survey 15 councils reported website development was one of the most important changes they had made in recent years to improve customer service. Twelve councils said website development would be a key development in the immediate future (one to two years). Significant work on website development was under way or had recently been undertaken in six of the seven councils Audit Scotland visited for this study.

**3.26** The Society of Information Technology Management (SOCITM) provides guidance on website good practice and undertakes a regular assessment of council websites. The Scottish Executive has also set the objective that all public sector services in Scotland which can feasibly be delivered electronically will be available online by 2005. While most customers still prefer to contact their council by telephone, usage statistics show that there is demand for online information about services ([Exhibit 25, page 31](#)).

**3.27** Where information is made available, it should be accurate and up to date. All of the councils visited by Audit Scotland indicated that an effective content management system, where responsibility for keeping information up to date is clearly allocated to a team or

individual, was central to delivering an effective website. Most of the councils Audit Scotland visited had attempted some form of user testing before 'going live' with their new website. However, evidence that councils had directly involved customers in the development or design stages was rare.

**3.28** Councils plan, organise and monitor website activity in different ways. Using data effectively to change working practices or site structure can lead to benefits for both customers and the organisation ([Exhibit 26, page 31](#)).

**3.29** The primary costs associated with websites are for upkeep of the site. This usually requires some central resource, along with a network of service representatives tasked with keeping information about their particular service up to date.

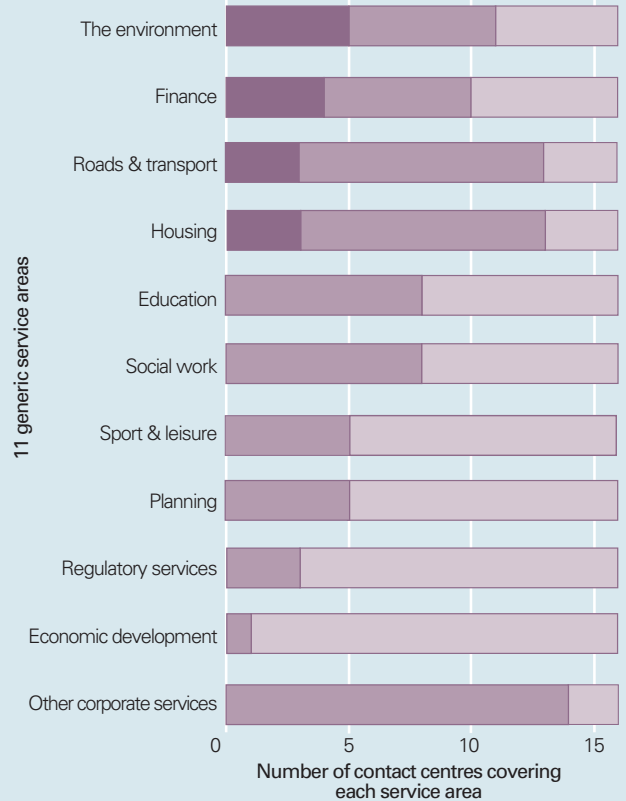
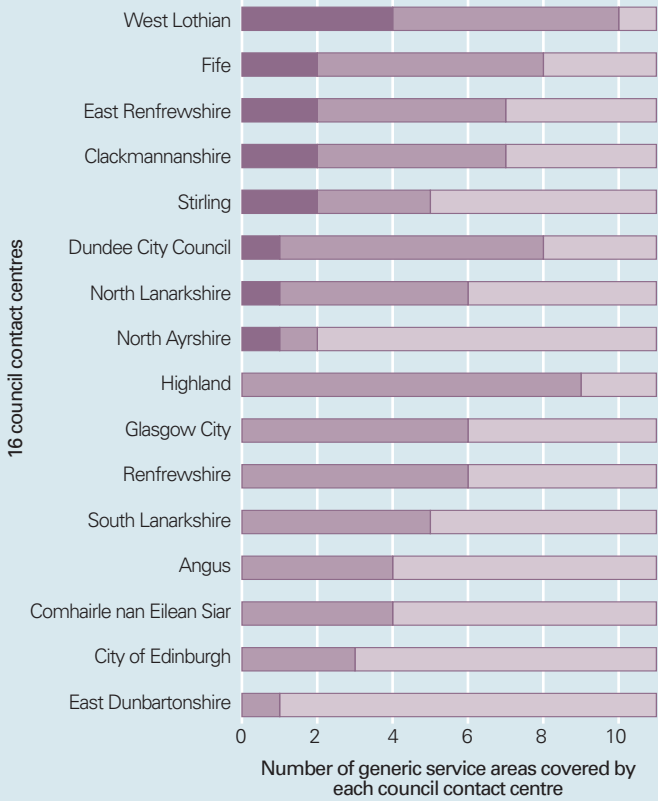
#### **CRM systems**

**3.30** 'Customer relationship management' (CRM) encompasses methods that councils use to learn more about customers' needs and develop stronger relationships with them. Many councils have invested in computerised CRM systems with the aim of supporting good customer service. Audit Scotland's survey indicated eight councils had a CRM system (in 2003) to support contact staff responsible for resolving customer enquiries; other councils have subsequently approved investment in similar projects. Of the seven councils visited by Audit Scotland, three had a computerised CRM system in place.

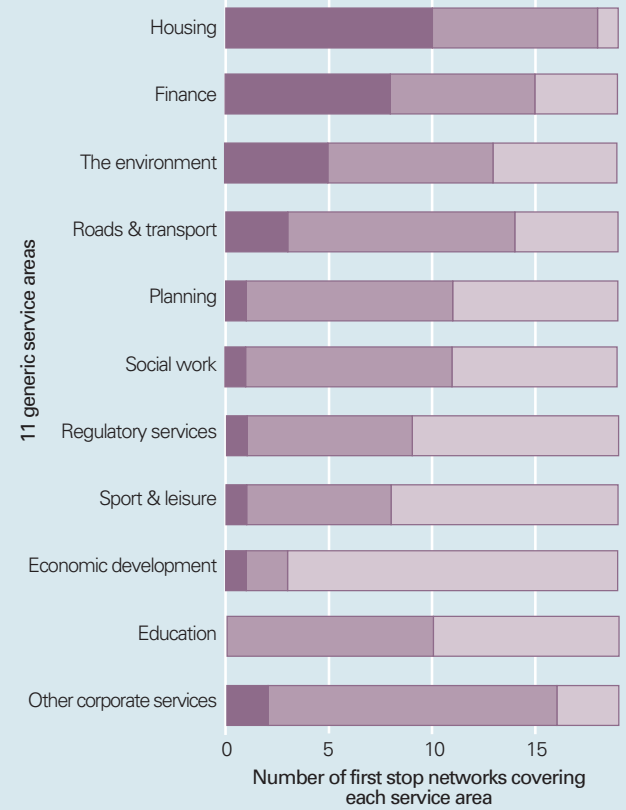
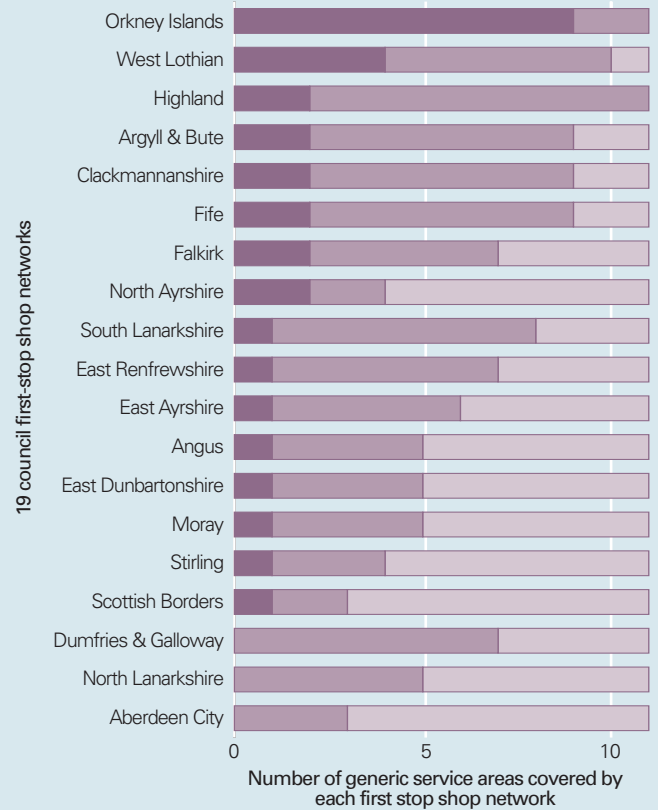
**3.31** Computerised CRM systems gather and maintain data about customers in a single application, including information about previous enquiries by any customer. Typically councils operate many different IT systems which have information

## Exhibit 21 Access to council services

### Through contact centres



### Through first-stop shops



Key: Level of cover provided  
 All or most parts of the service covered  
 Some parts of the service covered  
 Little or no cover/information only

## Exhibit 22

### Customer satisfaction with North Lanarkshire's first-stop shops

North Lanarkshire Council first surveyed its first-stop Shop customers between April and June 2002 (with a top up survey in early 2003). A total of 18,032 survey forms were issued, covering all ten shops, with 3,180 (18%) being returned. Key findings from the survey included:

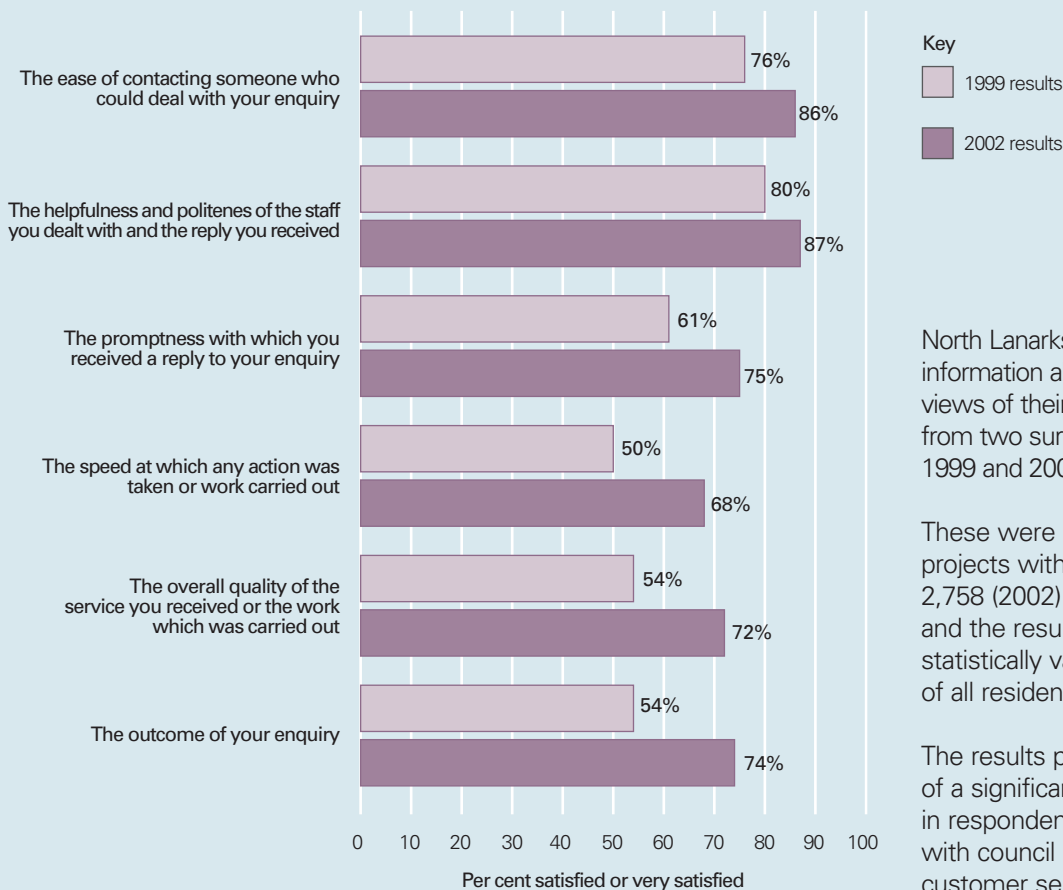
- 84% of respondents considered overall service provided had improved as a result of the introduction of the first-stop shops; 11% recorded no difference; and 5% did not provide an answer.
- 78% of customers considered their enquiry to have been satisfactorily resolved during their visit; 21% did not consider their enquiry to have been satisfactorily resolved; and the remaining 3% did not answer.
- 30% of respondents included additional comments. These comments suggested a specific strength was how well staff treated customers (where positive comments outweighed negatives 6:1). However, almost as many respondents commented on waiting time and negative comments in this area exceeded positives also by about 6:1.

The Council has undertaken more detailed analysis of the findings, including consideration of the individual comments made by customers and opportunities to address areas of dissatisfaction. In early 2005 the Council was analysing the results of a further survey of 4,000 customers of its first-stop shops, contact centre and website, with 512 responses (13%) received.

Source: North Lanarkshire Council

## Exhibit 23

### North Lanarkshire residents' survey 1999 and 2002: key findings on satisfaction



North Lanarkshire Council's main information about customers' views of their services comes from two surveys of residents in 1999 and 2002.

These were major research projects with 3,473 (1999) and 2,758 (2002) people interviewed, and the results provide a statistically valid representation of all residents' views.

The results provide evidence of a significant improvement in respondents' satisfaction with council services and customer service.

Source: North Lanarkshire Council

## Exhibit 24

### Examples of extended opening hours

**Aberdeen City Council's** The Point (Customer Service Centre) is open six days each week:

- from 8.30am-5.30pm Monday, Wednesday and Friday
- from 10am-5.30pm on Tuesday
- from 8.30am-6.30pm on Thursday
- from 10am-1pm on Saturday.

**Angus Council's** ACCESS line is open between 8am-6pm Monday to Friday.

**East Renfrewshire Council's** Customer First team offer services from 8am-6pm Monday to Friday.

**Glasgow City Council's** Access Centre is open 24 hours a day, 365 days a year.

**Renfrewshire Council's** Customer Contact Centre is open from 8am-8pm Monday to Friday.

**Stirling Council's** Contact Centre is open from 8am-8pm Monday to Friday, and on Saturday from 10am-4pm.

**West Lothian Council's** Customer Service Centre offers services to customers from 8am-8pm Monday to Friday. The West Lothian Connected facility is open six days, including from 9.30am-2.30pm on Saturday.

Source: Audit Scotland

about individual customers divided between many applications, with little or no opportunity to share data.

**3.32** CRM systems should help councils deal with enquiries and requests efficiently, and support good customer service by allowing better access to customer information. Ideally councils should be able to update customer data by updating only one system. Where legacy systems have not been replaced, the CRM system should be linked to those systems and data updated automatically. An effective CRM system should also provide councils with valuable information about demand for services. By developing effective reporting systems and mechanisms, councils should be able to identify areas of high demand and potential problem areas, and tackle areas where there is a danger of service failure.

**3.33** In practice, in those councils Audit Scotland visited, there was only limited integration between new CRM systems and legacy systems. For example, customer service staff

still needed to access a variety of systems in addition to the CRM system to update customer data and log requests. Also, reporting arrangements were in the early stages of development, with little information available on specifically how the information gathered through systems would be used to improve service.

**3.34** In summary, the new CRM systems support the operational management of customer contact centres and provide some important and helpful management information, which contributes indirectly to the development of good customer service. **They help to support new ways of working by councils and promote efficiency, although they are not generating any significant savings in running costs.**

#### Telephony and call management systems

**3.35** Four of the councils visited by Audit Scotland operated call or contact centres covering more than one service. In each case, some form of call management software was in

place to help management establish, and respond to, demand. Managers were able to monitor the following call or contact centre information:

- Number of calls received.
- Number of calls waiting in queuing systems.
- Number of calls abandoned.
- Time taken to answer calls.
- Number of calls taken by individual members of staff.
- Length of calls dealt with by individual members of staff.
- Length of time spent by staff not 'in call'.

Information about these aspects of call handling provides management with important information about call traffic, staff performance, resource levels and consequent training needs.



## Exhibit 25

### Websites – selected usage statistics

Council	Period	Average hits* per day	Average visits** per day
Aberdeenshire	September 2004	226,024	2,831
East Renfrewshire	July 2003	28,568	733
North Lanarkshire	April 2003	42,513	8,226

**Notes:**

\*Hits – the total number of files requested from the server (not the same as the number of pages a visitor views).  
 \*\*Visits – the (approximate) number of individual visitors to the site.

Source: Audit Scotland

## Exhibit 26

### Examples of when website data has led to improvements

#### Aberdeenshire Council

A survey of website users suggested the location of the A-Z index was problematic. The Council moved the index and this resulted in an increase in the number of hits to the A-Z page from 1,600 to 3,000 in a single month.

In another case, the council established that a high number of email requests were for application forms. Making the forms available online led to efficiency gains, in terms of both staff time to process the requests and postage costs.

#### East Renfrewshire Council

The council regularly analyses the terms searched for by users. Isolating those terms which elicit a 'none found' response from the search engine allows the council to identify quickly problems with terminology or a lack of relevant or helpful information.

Source: Audit Scotland

**3.36** Setting targets for these aspects will not necessarily deliver improvements in overall service to customers. For example, a target to minimise the length of individual calls may lead to staff closing calls before they have resolved the caller's query. **Councils were keen to stress that there is little point in encouraging staff to deal with calls quickly if this did not result in customers getting the information or service they requested.**

#### Call centres and first-stop shops do not guarantee improved services

**3.37** Providing facilities such as contact centres and first-stop shops should help councils provide better service to customers, but Audit Scotland's work suggests that improvements in councils' facilities do not guarantee a better service for customers. **Risks and potential obstacles arise from the scope of necessary change, the need for councils to consider the outcomes from improving responses to customers' enquiries and how well improvements address the areas of greatest need.**

#### Scope

**3.38** In pursuing better customer service, councils need to keep sight of the scope and pace of change across the whole range of services to customers. Many councils now provide dedicated points of contact for many common types of customers' enquiries. Even so, about a third of councils have not made any significant changes in how they are organised to respond to customers. And even where councils have introduced major improvements for customers, other services in the same council – even entire departments – appear untouched by any greater emphasis on more effective service for customers.

#### Outcomes

**3.39** Councils should distinguish between how they manage contacts with customers and the consequent outcome for the customer.

**3.40** Contact centres and first-stop shops help make it easier for customers to access council services, but councils should also manage the end result for the

customer. Improving contact with customers is valuable – for example, making it easier for tenants to contact the council and request services such as a house repair. But if the end result is only better access to a weak service – for example, because the council maintenance service frequently fails to turn up on time or to make a good repair – the end result is unlikely to satisfy the customer.

#### Need

**3.41** If councils make improvements without researching what customers want, they may waste money on ineffective or unnecessary projects. They may also fail to identify the areas of greatest potential need (and therefore benefit) while seeking to improve areas which customers consider are of a lower priority.

## Summary and recommendations

**3.42** It is important that councils know how many customers contact them. Although information about customer contact council-wide is rare, our research shows that broadly:

- The 32 councils in Scotland may collectively deal with 35–40 million or more enquiries from customers every year.
- Two out of every three customers contact their council by phone, while face-to-face contacts may account for around one in four of all contacts.
- Despite increased online activity over recent years, contacts by other means including email and letters are least common, accounting for one in ten contacts.
- Despite the wide range of customer enquiries that councils receive, most should be easy to answer.

**3.43** A dedicated first point of contact should help councils improve responsiveness to the many enquiries they receive. By 2004, 16 councils had introduced call or contact centres and 19 reported they had a network of first-stop shops or similar facilities covering many of the most common inquiries from customers.

**3.44** Improvements at only the front end of councils' customer operations do not guarantee a better service for customers. If the end result is only better access to a weak service, it is unlikely to satisfy the customers. Councils should manage the end result for the customer as well.

**3.45** Councils should improve customer contact through:

- Undertaking effective research to establish how, when and why customers contact them. Understanding these factors should help councils to plan more effectively.
- Analysing what barriers and opportunities exist for access and consistent quality of service to customers across all main activities.

# Part 4. Leadership and organisation of customer service



**4.1** Many councils consider improving access as a step towards improving overall service to customers, and Part 3 examined how councils have reorganised in recent years to do this. However, when customers contact councils for information or other help, the staff who provide the initial point of contact may not be those who ultimately provide the desired service or information. Improving access alone may represent poor value if there is no corresponding improvement in the underlying service.

**4.2** Part 4 therefore examines the management arrangements within councils to achieve improvement in outcomes for customers. Improving customer service is complex, wide-ranging and fundamental, and there are therefore significant challenges for councils in seeking to implement customer service strategies ([Exhibit 27 overleaf](#)).

## **Councils' customer service plans are at different stages of development**

**4.3** Audit Scotland's surveys of councils asked how councils are organised to promote the delivery of effective customer service.<sup>17</sup> They asked each council to make a broad assessment of the overall status of its customer service strategy and progress towards implementation and collected information about plans and service standards. They also sought views on the perceived main drivers, barriers and constraints to delivering effective customer service.

**4.4** Most councils considered (in 2003) that their customer service strategies were only at an early or intermediate stage of development. According to their own assessment, only four of 27 councils responding had in place mature strategies that were well advanced in implementation.

Eleven councils considered that they had a clearly defined strategy and had made some progress in implementation. The remaining 12 councils responding considered they were at an early stage of development in this area ([Exhibit 28 overleaf](#)).

**4.5** In both its 2003 and 2004 surveys, Audit Scotland asked councils how they had documented their plans for developing customer service. In many cases, the plans and programmes set high level aims or goals for improvement, and indicated that customer service was an important part of each council's thinking.

**4.6** [Exhibit 29 \(page 35\)](#) provides four examples of the high-level aims typical of those set by many councils, illustrating the general aspiration to providing good customer service.

<sup>17</sup> Audit Scotland surveyed all 32 Scottish councils. Five councils participated in a pilot version of the survey in 2003, which Audit Scotland subsequently revised and issued to the remaining 27 councils (consequently, for a few questions, analysis is based on the responses of only 27 councils). In 2004, Audit Scotland issued a follow-up survey to all 32 councils. There was a 100% response rate to each survey. Councils were invited to provide evidence, such as copies of any customer service plans, marketing materials and performance information, to support their responses.

## Exhibit 27

### SOCITM's definition of a customer service strategy

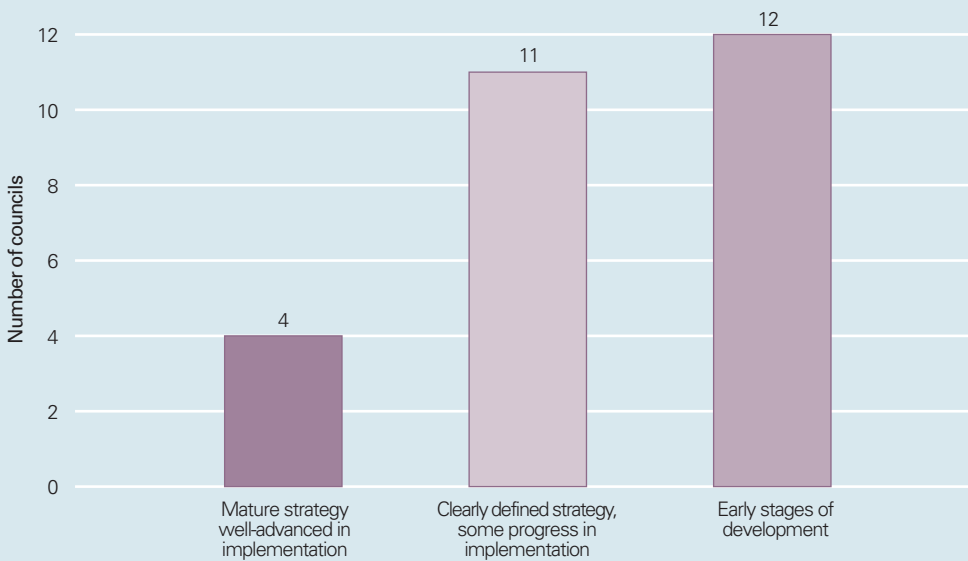
"... the alignment of business strategy, organisation structure, culture, customer information and technology for the organisation to deliver accessible, quality and cost-effective services."

Source: *Improving Customer Service – Putting the Customer at the Centre of the Local Authority*, Society of Information Technology Management, September 2002

## Exhibit 28

### Status of customer service strategy development in Scottish councils

Survey question – Broadly speaking, what is the overall status of your council's customer services strategy and progress towards implementation?



Note: Results exclude five councils in the pilot survey who were not asked this question.

Source: Audit Scotland survey

## Exhibit 29

### Examples of customer service aims

#### Angus Council (Corporate Plan 2003/07)

**Customer Care** – We aim to:

- put customer care at the forefront of our service delivery
- build on our existing good practice
- deliver customer services that are modern and what people want.

We will:

- achieve this by involving our staff and customers
- use modern technology to help people reach us
- give customers every opportunity to: get information; ask for a service; make a payment; let us know their views.

#### East Dunbartonshire Council (Customer Service Strategy, March 2004)

**The Customer Service Vision:**

The Council will strive to meet the needs of individual customers while addressing its broader responsibilities to promote and support the wellbeing of its communities. It will seek to gain the respect of all customers through pride in public service.

#### Fife Council (Customer Contact Strategy September 2002)

**Key principles**

Our ultimate objectives in developing our Customer Contact Strategy are to:

- provide quality and equality of access, standards and contact experience across all points of customer contact and for all groups of customers
- resolve customer service needs at the first point of contact
- provide customers access to services when, where and how they want it
- join-up and proactively offer services to our customers in more convenient ways
- capture customer information first time and reduce the need for repetition
- develop a better understanding of our customers' needs to improve service delivery
- reduce the cost of transactions and re-invest savings into improving services for our customers.

#### Stirling Council (21st Century Government Action Plan 2001)

**Customer Care**

One of the key objectives of this work is to improve customer satisfaction with public services. We must also ensure value for money and consistent service delivery across all Stirling Council citizen contact points (which include local offices, the integrated contact centre and anywhere a member of staff interfaces directly with the public).

The objectives of the customer care programme are:

- to consistently deliver on customer commitments through Customer Care Standards, and thereby enhance customer satisfaction and confidence in the council
- to take responsibility and ownership for customer issues/queries and ensure their resolution
- to ensure that the customer experience leaves the citizen satisfied, informed and listened to, and more willing to use Council services in the future
- to enhance communication between citizens and Stirling Council, through increases in accessibility, reliability, consistency and openness
- to reduce the cost of delivery by resolving customer concerns at the first point of contact.
- to assess effectiveness of the programme against clear and agreed standards, and take prompt and appropriate action to rectify deficiencies
- to set performance levels and standards for customer response and to put in place monitoring systems which give effective management information to ensure that standards are being met and to aspire to even further improvements.

**4.7** Audit Scotland's surveys also asked councils what the most important incentives to improving customer service were. Mostly councils saw all the factors identified in the survey as relevant to improving customer service and of broadly even weighting. **The main incentives for improved customer service seem to be a desire to improve service quality and promote access/inclusion, combined with external pressure from the Scottish Executive's Modernising Government agenda (Exhibit 30).**

**4.8** As well as incentives, Audit Scotland's survey asked councils to comment on the main problems and constraints to delivering better customer service. The constraints fall broadly into two main categories: those concerning resources eg, competing priorities and a perceived lack of resources, both financial and staff; and those concerning organisational culture, for example, overcoming departmental ways of thinking and reluctance to change. Other constraints identified by councils included technology costs and engaging members and management, though overall councils tended to see these as less important constraints (Exhibit 31).

### **Councils are still developing plans to improve customer service**

**4.9** Audit Scotland's survey sought information from councils in three important areas of customer service management within each council:

- Who is responsible for leading the development of customer service within each council?
- Is there a single council-wide plan or strategy for developing good customer service?

- Is there a project team with a specific remit to support the development of good customer service (and how far councils have involved staff more widely in customer service development)?

### **On leadership**

**4.10** Audit Scotland's survey asked who had lead responsibility for taking forward the development and improvement of customer service within each council. The survey results can be grouped broadly into three overlapping categories:

- A general arrangement where responsibility lies with senior management and/or elected members alone (11 councils).
- Those where a specific group, team or individual had been allocated responsibility (18 councils). (For four of these councils this is in addition to the more general arrangement above.)
- Those where responsibility rests with individual departments (three councils).

### **On customer service plans**

**4.11** In response to Audit Scotland's specific survey question, **13 of 32 councils reported they did not have "a plan or strategy set out in a single document addressing at a corporate level customer service issues."**

**4.12** Of the 19 councils reporting they had recorded their plans in a single document:

- For 11 councils the plans were draft documents or were in the early stages of development. Information in the plans about specific ways of improving and developing services to customers was scarce or absent.

- In three councils, plans were two to four years old and not 'active'. In two of these cases, the plans were '21st Century Government Action Plans' produced to support bids for MGF funding, not a plan for managing good customer service created independently.

- In three further councils, the plans were not dedicated to customer service, but were plans for a wider change programme, ICT strategy or external consultation and communication.

- Specific targets to measure standards of customer service to be achieved were rarely present in the plans.

### **On project teams and involving staff more widely**

**4.13** In Audit Scotland's survey, **13 councils reported they had a project team with a specific remit to support the development of customer service.**

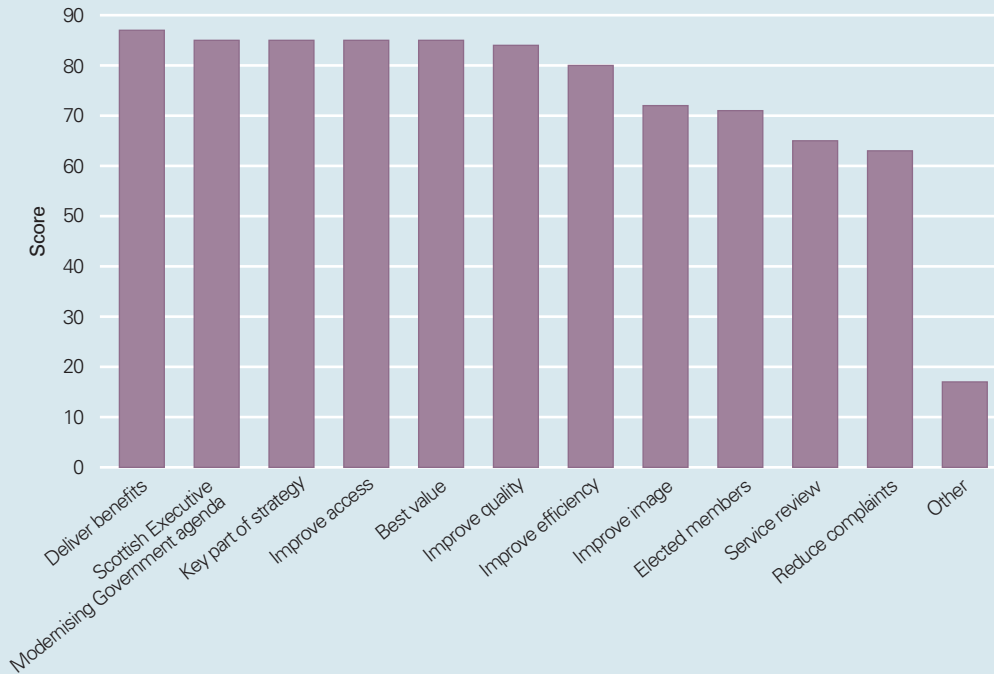
- In seven of these councils, the teams had specific responsibilities for assessing services and identifying potential process improvements.
- In six councils, the teams had a broader role, for example they were charged with developing a customer service strategy or with overseeing the council's customer contact centre.

**4.14** Sixteen of the remaining 19 councils reported they did not have a dedicated business change/process review team to support the development of customer service. Three further councils reported they had a project team with a specific remit but did not provide any information about what the remit was.

### Exhibit 30

#### Main incentives for improving customer service

Survey question – what have you found to be the main drivers to help you make progress in improving customer services within your council?



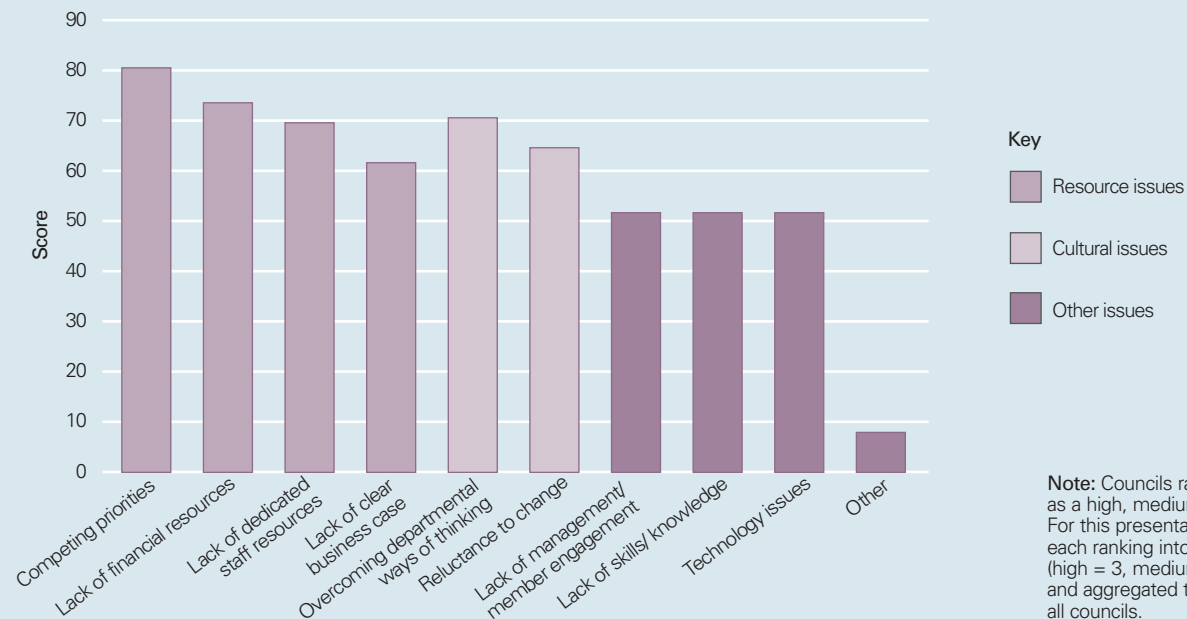
**Note:** Councils ranked each driver as of high, medium or low importance. For this exhibit we converted each ranking into a score (high = 3, medium = 2, low = 1) and aggregated the results for all councils.

Source: Audit Scotland survey

### Exhibit 31

#### Main constraints for customer service development

Survey question – what have you found to be the main problems and constraints to delivering better customer service within your council?



**Note:** Councils ranked each issue as a high, medium or low constraint. For this presentation we converted each ranking into a score (high = 3, medium = 2, low = 1) and aggregated the results for all councils.

Source: Audit Scotland survey

## Exhibit 32

### Managing successful programmes

#### What is Programme Management?

Programme Management is a structured way of defining and implementing change within an organisation. It is a framework for implementing business strategies and initiatives by coordinating projects that change organisations to achieve important benefits.

'Managing Successful Programmes' is the Office of Government Commerce's (OGC's) recommended approach to programme management.

For further information, see: [www.ogc.gov.uk/sdtoolkit/reference/deliverylifecycle/prog\\_mgmt.html](http://www.ogc.gov.uk/sdtoolkit/reference/deliverylifecycle/prog_mgmt.html)

#### Critical success factors for programmes

- Overall direction and leadership responsibility rests with one individual.
- Active stakeholder management.
- Clear vision of the required change and how success will be measured.
- Active coordination of programme's components, the relationship with other programmes and the interface to business strategy.
- Clearly assigned responsibility for the delivery of business benefits.
- The organisation has appropriate personnel available with relevant skills and experience to set up, manage and deliver the programme.
- The organisation is capable of achieving the change required by the programme.
- Programme management and support processes are in place.

Source: Office of Government Commerce

**4.15** These findings are consistent with councils' self-assessment that many are at a comparatively early or intermediate stage of development ([Exhibit 28, page 34](#)).

**4.16** Audit Scotland's survey also asked about examples of good practice where councils have involved staff more widely in seeking to improve customer service. Twenty-six councils reported they have involved front-line staff to varying degrees in this sort of initiative. Examples of staff involvement included: short-term focus/working groups, on both improved customer service initiatives and more wide-ranging projects, such as communication reviews; discussion of customer service issues in existing forums, such as regular team meetings; and staff involvement through quality initiatives, Best Value reviews and business process re-engineering processes.

#### Councils should actively plan to review and improve customer service

**4.17** Many councils have aims which recognise the importance of good customer service but do not necessarily have a deliberate programme to achieve the good customer service aims to which they aspire. Where change is necessary in an important area like customer service, a structured approach to identifying, establishing and running a change programme is good practice for any organisation. The Office of Government Commerce (OGC) publishes guidance on programme management techniques ([Exhibit 32](#)). SOCITM also recommends that strong programme management is needed to develop and implement a customer service strategy ([Exhibit 33](#)). Councils should consider whether to adopt established guidance to manage customer service improvements.

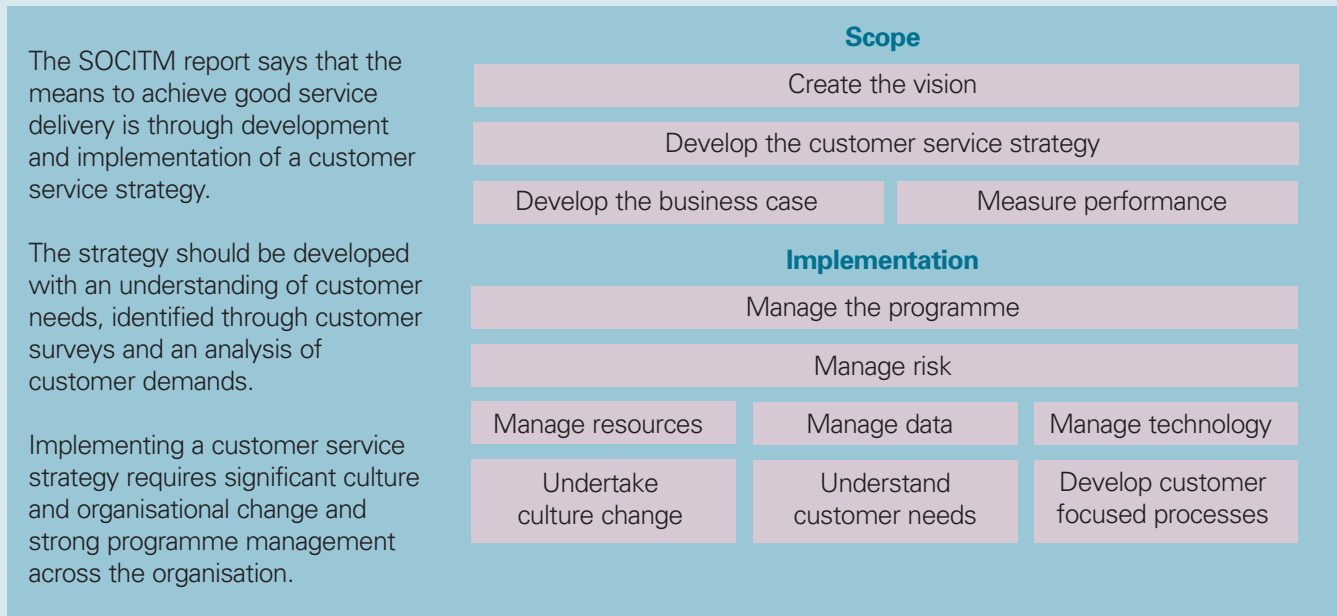
**4.18** Councils could provide good leadership without allocating responsibility for change to any individual or team. However, there is a risk is that, without overall accountability being assigned, when problems arise, change programmes will be diverted and no serious recovery action will be attempted. Similarly the absence of a formal plan or programme of change does not necessarily mean that improvements cannot be achieved. For example, some councils Audit Scotland visited have made significant improvements in customer service without a formal council-wide plan. But in those councils responsibility for change was clearly allocated and there was a project management plan for the key changes, including dedicated staff allocated to the customer service improvement project.

**4.19** Councils use many approaches to improving customer service. Where there is no single, overarching plan for improvement, changes in customer service may still progress as part of wider initiatives, for example, as part of Best Value



## Exhibit 33

### SOCITM – key elements of a programme to deliver effective customer service



Source: *Improving Customer Service – Putting the Customer at the Centre of the Local Authority*, Society of Information Technology Management, September 2002

reviews of services. Service reviews may include:

- gathering and analysing feedback from customers
- seeking the views of staff
- reviewing aspects of a process, or wholesale review
- an independent assessment by staff not directly involved in or responsible for the service.

**4.20** Subjecting services to business change reviews are therefore worthwhile. Business review teams can provide a resource and expertise dedicated to seeing service from the customer perspective. Systematic reviews of service from a customer perspective can also help generate improvements in cost-effectiveness and in how services are provided.

**4.21** Seven councils have established business review teams with a specific remit to assess services and identify potential process improvements. [Exhibit 34 \(overleaf\)](#) is an example of a

dedicated business review team, which North Lanarkshire Council has established as a key aspect of its overall approach to improving services. [Exhibit 35 \(page 41\)](#), is an example of service improvement from this team's work. Other councils with business review teams have adopted similar approaches.

#### Councils should consider setting measurable targets for customer service

**4.22** Performance measurement is a prerequisite for accountability, value for money and Best Value. **Particularly when assessing the quality of service delivery, performance measures should take account of the customer perspective.** The Accounts Commission has previously reported on approaches to performance measurement, recommending a "balanced scorecard" approach ([Exhibit 36, page 41](#)). An organisation's ability to achieve continuous improvement in its service delivery is critically dependant on its performance measurement approach. The balanced scorecard

offers a way of ensuring that an organisation's strategies and detailed plans have been thought through and are visibly linked to wider goals.

**4.23** Audit Scotland asked councils what standards, targets and measures they had in place to show the achievement of their overall customer service objectives. Twenty-three councils reported they had set standards and targets in their customer service strategy or spread through other strategies and plans such as their corporate plan. However, the supporting evidence showed that:

- In Audit Scotland's assessment, only nine councils had set targets or measures to support improved customer service, allowing achievement to be measured. In other councils the 'targets' were high-level aims. The aims confirm that councils aspire to good customer service but they could not provide a basis to measure a council's service to customers or assess performance. [Exhibit 37 \(page 42\)](#) gives some examples of councils' targets,

## Exhibit 34

### North Lanarkshire Council's business change process

As well as better access for customers, a key aim of the North Lanarkshire Direct project is to improve service efficiency. The project incorporates a "business change process" used in private sector organisations.

The approach seeks greater efficiency and better service through innovation and systematic study of processes from the customers' perspective. One of the main aims is to look "outside in" on the organisation. A dedicated business change team of three staff within the North Lanarkshire Direct project provides these services.

#### What does business change involve?

**Assess and improve services prior to inclusion in the North Lanarkshire Direct service.** In each service area, the team starts by defining the purpose of the process and checking the current performance of the system. Starting from the customers' perspective, processes are analysed to:

- establish what is currently happening, how predictably and why
- gather information on any waste and inefficiency and its impact on customers and staff
- determine 'system conditions' – targets or policies which drive behaviour in the process.

**Understand and measure demand.** A key aspect is to distinguish customer calls and visits into 'value' and 'failure' demand.

- A value call may be "Can I report a fault?"
- A failure call may be "I'm calling for the third time about my fault".

The objective is to understand why failure occurs so it can be designed out of the process.

**Measure capability.** Based on "what matters to customers", the team measures how well the process is responding to customer demand. The team reviews why and how service capability varies and examines other approaches before planning potential improvements.

**Redesign** – to provide a process which is fully aligned with the needs of the customer, the team:

- identifies 'value' work
- redesigns processes to remove waste and reduce variation
- identifies which system conditions must change
- replaces targets with capability measures.

**Test and implement.** Changes must be tested to ensure that the redesigned process is robust. Before implementation the team:

- sets up a pilot area to test processes
- refines any issues that arise
- estimates the impact of redesigned processes using demand and capability measures
- tests potential delivery via customer contact centre.

If the test is successful the council rolls out the redesigned process to all service areas. The new capability measures become part of the management and improvement framework for the service.

### Exhibit 35

#### Example of service improvement

North Lanarkshire Council’s business change team examined the council’s housing stock repairs service in 2003:

- The team collected evidence that for some housing offices, failure calls represented up to 45% of all calls received.
- A typical example of a failure call is one seeking a reappointment for a repair visit because a previous visit had resulted in a ‘no access’ (the tenant was out when the repair team arrived). Prior to the business change analysis, no access calls could account for 20% of all calls by the repair team in any given period.
- As a result of introducing the business change team’s redesigned systems and processes in two housing offices, ‘no access’ calls have fallen to about 3% of the previous levels. Improvements have been achieved by initiatives such as the labour team making appointments direct with the customer in many cases. Response times to customers have also improved and because of the changes and improvements, staff morale has improved.

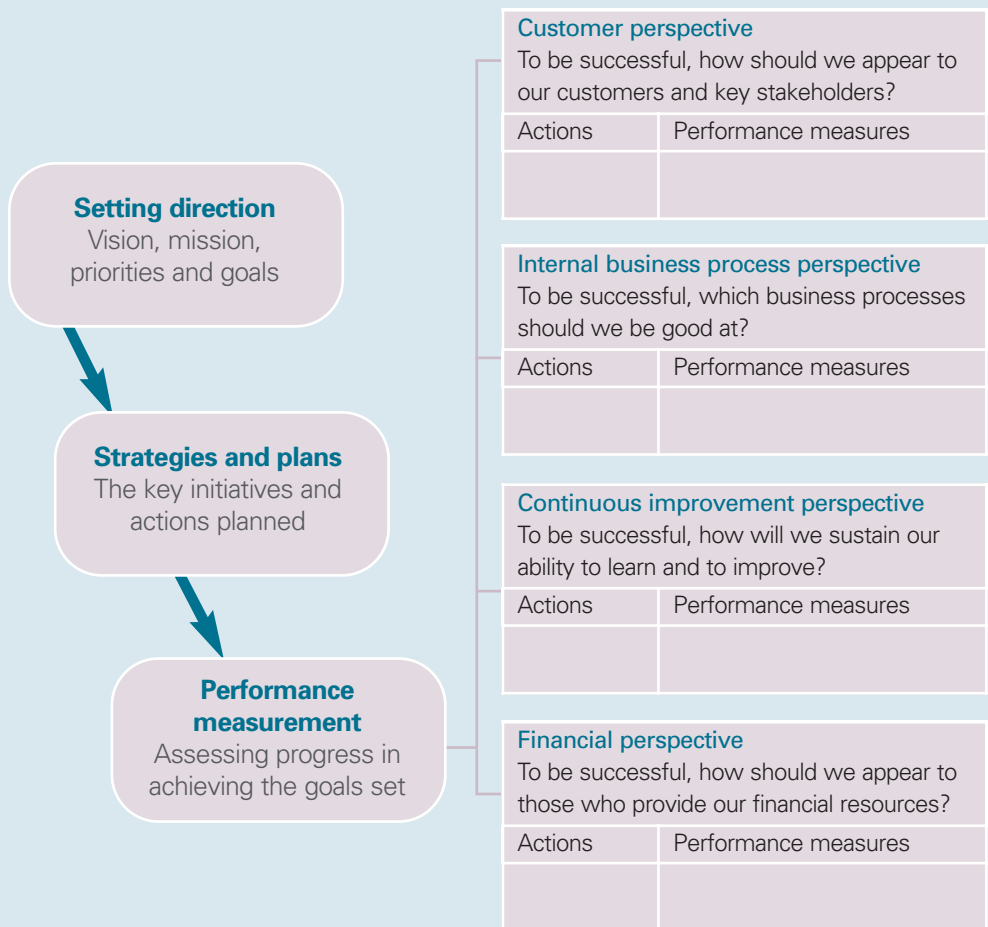
Source: Audit Scotland/North Lanarkshire Council

### Exhibit 36

#### The balanced scorecard

The balanced scorecard is an agreed set of measures that provide managers with a comprehensive, timely view of an organisation’s performance.

The aim is to help managers to develop a robust set of performance measures that give a comprehensive view of the overall performance of the organisation, visibly linked to the key strategies and priorities of the organisation.



Source: *The measures of success – Developing a balanced scorecard to measure performance*, Accounts Commission, 1998

## Exhibit 37

### Examples of councils' customer service targets

Specific and measurable	High level, not easily measurable
<p><b>City of Edinburgh Council</b></p> <p>Extract from <i>Delivering the Smart City</i> April 2003</p> <p>Key customer service strategic milestones/outputs</p> <ul style="list-style-type: none"> <li>• 30% of council contact through email and internet by 2005.</li> <li>• All appropriate councils services to be available electronically by 2005.</li> <li>• Customer satisfaction ratings will have increased by 60% by 2009.</li> </ul>	<p><b>Aberdeenshire Council (see Note below)</b></p> <p>The council's <i>Strategic Plan 2003/07</i> aims include: "delivering first-class public services"; "we will make services easy to use by taking them close to the people"; "we will always look for new ways to improve our services".</p> <p>The measures of success which underpin the council's aims include:</p> <ul style="list-style-type: none"> <li>• "...to improve the speed and effectiveness of community services..."</li> <li>• "...continually seek and take account of the views of the people of Aberdeenshire on our services."</li> <li>• "...review how we measure and manage performance to provide a firm basis for improving our services."</li> </ul>
<p><b>Dundee City Council</b></p> <p>Extract from <i>Information and Communication Strategy 2000</i></p> <ul style="list-style-type: none"> <li>• Customer service centre process in place for 80% of services by end of 2003.</li> <li>• Service given at first point of contact to 80% of customer service centre calls.</li> </ul>	<p><b>Angus Council</b></p> <p>Extract from <i>Customer Care Aims and Objectives</i> February 2004</p> <p>Our main aims are that we will:</p> <ul style="list-style-type: none"> <li>• put customer care at the forefront of our service delivery</li> <li>• build on our existing good practice</li> <li>• deliver customer services that are modern and what people want.</li> </ul> <p>Our main objectives are that we will:</p> <ul style="list-style-type: none"> <li>• consult and involve customers</li> <li>• give our customers the best possible standard of service</li> <li>• carry out our business in an open way</li> <li>• make what we do accessible to everyone</li> <li>• deal fairly with everyone</li> <li>• put things right when they go wrong.</li> </ul>
<p><b>North Ayrshire Council</b></p> <p>Extract from <i>Customer Contact Services Service Plan 2004/05</i></p> <p>Key performance indicators – targets for 2004/05</p> <ul style="list-style-type: none"> <li>• 87% of calls answered.</li> <li>• 95% customer satisfaction (measured by quarterly survey).</li> <li>• 95% technical accuracy of information given to customers (measured monthly, based on sample of seven calls).</li> </ul>	<p><b>East Dunbartonshire Council</b></p> <p>Extract from <i>Customer Service Strategy</i> March 2004</p> <p>The customer service approach aims to ensure that the council is genuinely customer-focused in its decision-making, and in the planning and delivery of its services. ... (The) essential building-blocks of the council's customer service will be:</p> <ul style="list-style-type: none"> <li>• clear lines of responsibility and accountability for all council activity</li> <li>• core standards of service however and wherever customers/citizens make contact</li> <li>• clear information about every service and activity</li> <li>• options for how customers/citizens interact and contact the council</li> <li>• single points of contact wherever possible.</li> </ul>

**Note:** Aberdeenshire Council's service planning system involves 'SMART' target-setting and monitoring at operational level. However, there are no measures and targets linking the council's broad aims for customer service to specific improvements to be implemented at the customer level. The council has committed itself to setting improved performance measures in the revision of its strategic plan due in 2005.

**Source:** Audit Scotland/Councils

## Exhibit 38

### Examples of targets for improving customer satisfaction

#### Dundee City Council

Extract from Information and Communication Strategy 2000

**Target for overall performance management & planning arrangements** – Improving trends in critical result areas such as satisfaction with contacting the council by telephone, visit and electronic mail/website plus the outcome of the contact.

**Satisfaction targets (for 2003):** phone 90%; office 95%; web 90%.

#### Highland Council

Extract from Highland Council's Service Point Network's Operational Plan for 2004/05:

**What we will achieve:** Improved customer satisfaction – 2% increase in customer satisfaction levels.

#### West Lothian Council

Extract from West Lothian Council's housing and customer services service plan for 2004/05:

##### Overall aims of the service

**Aim:** To provide high quality, locally based cost effective and customer-orientated services.

**Outcome measure:** Increased per cent of measured customer satisfaction levels.

Source: Audit Scotland/Councils

showing the contrast between specific and measurable examples and more high-level aims.

- In other councils, targets or measures were restricted to how the council responded to complaints, which is important to measure but does not give a full picture of performance.

**4.24** Establishing service standards and performance targets for customer service is difficult because of the hundreds of services that councils deliver. For example, in 2002/03, East Renfrewshire Council developed and monitored 279 service standards. The council found it had generally performed well in meeting service standards, **but there was scope for improving measurement by concentrating on fewer but essential indicators to make it easier to assess how well the council had performed.**

**4.25** In 2004, the Scottish Executive's draft *Customer First* strategy<sup>18</sup> stated that the ultimate measure of success is the level of customer satisfaction with public services. It proposed establishing a target for customer satisfaction as part of the MGF programme and noted that **some councils have already set a baseline measure of 95% customer satisfaction.** From Audit Scotland's survey, seven councils have established performance targets which included some measures of customer satisfaction; [Exhibit 38](#) provides examples of such targets for improving customer satisfaction in three of these councils.

**4.26** Councils should also consider developing existing call and contact centre practices which allow the measurement of 'value' and 'failure' demand, such as North Lanarkshire Council's 'e-Nquiry' system:

- Value demand is what the call centre exists 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...").

**Distinguishing between value and failure demand is a very powerful measure of performance because it acts as an incentive to continuous improvement ([Exhibit 39](#)).**

#### Technology does not appear to provide significant savings

**4.27** As shown in Part 3, technology may provide the tools to help deliver improvements to customer service but it does not guarantee success or demonstrate benefits. Where councils are making use of technology, it is generally to support wider changes. The setting up of a contact centre means that the technology is not the only change affecting performance, as the new culture established by the call centre also has an influence. **It can therefore be difficult for councils to quantify the specific benefits, including savings, derived from new technology.**

18 See paragraph 1.13. Also <http://www.scotland.gov.uk/Resource/Doc/1067/0006391.pdf>

## Exhibit 39

### 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 within North Lanarkshire Direct.

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 failure represents a repeat call.

The council gathers information on the demand types being requested from its customers. The system can be used in any front-line service to provide an indicator on how that service is performing from a customer's perspective.

The council's philosophy is that failure calls are an indicator of waste, and its goal is to minimise the extent of failure calls and waste. In this context, the council's definition of waste includes:

- anything that adds no value to the customer
- too many meetings of working groups
- badly designed IT
- obtaining authorisation
- checking other people's work
- working with unreliable information
- 'fire fighting'.

The council ends waste by redesigning processes to avoid the need for repeat calls from customers, and by ensuring that customer service are enabled to 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

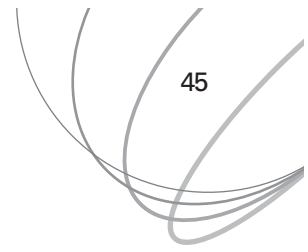
## Exhibit 40

### Estimated and actual savings from customer service projects

Council, project and cost	Projected savings	Actual savings
East Renfrewshire Customer First £1.7m	Potential savings of £0.8m a year gross (see Note).	Not measured
North Lanarkshire North Lanarkshire Direct £1.2m capital; £0.7m revenue (2000-2002)	Potential savings of £0.1m a year (6% of capital outlay of project)	Not measured
East Lothian CRM system £0.9m	Reduced transaction costs Potential for redirecting savings made in service provision	Not measured

**Note:** East Renfrewshire Council considered net savings were unlikely, with any savings contributing to more money spent on activities directly responding to customers.

Source: Audit Scotland/Councils



**4.28** Audit Scotland sought evidence of how far benefits from significant council investment in initiatives had matched forecast benefits in the original business case for the investment. While there was some evidence that services had got better – persuasively so in some individual cases – **measurable improvement directly attributable to investment in new technology was scarce.**

**4.29** Although some business cases were partly justified in relation to forecast cash or efficiency savings councils have not monitored what if any savings have subsequently been achieved. **None of the seven councils that Audit Scotland visited which had progressed a significant improvement project with MGF support had completed any formal post-implementation review of the project (Exhibit 40).**

### Summary and recommendations

**4.30** Improving customer service is a challenge for councils because of the large and varied range of their services. Many councils recognise the importance of good customer service but are only at an early or intermediate stage of development, and few have comprehensive customer service strategies.

**4.31** Most councils have not set customer service improvement targets to measure achievements, yet too many targets may not help assess how well councils serve customers. A more valuable approach may be North Lanarkshire Council's method of measuring 'value' and 'failure' demand which provides an incentive to service improvement by identifying causes of failure and so improve services to customers.

**4.32** A deliberate programme to manage customer service improvements is good practice and an important first step. Councils need to demonstrate commitment to the programme. Without strategic commitment, there is a risk that worthwhile initiatives may fail and councils will not be able to meet customers' reasonable service expectations. Councils should ask themselves if they are actively pursuing such a programme as being central to effective service delivery.

**4.33** 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 (see Part 2).

**4.34** 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 below) as the basis for monitoring.

**4.35** Councils should consider establishing project teams with an explicit remit to support the development of good customer service.

**4.36** Councils should improve performance measurement. 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 November 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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# Improving customer service through better customer contact



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Audit Scotland  
110 George Street  
Edinburgh EH2 4LH

Telephone  
0131 477 1234  
Fax  
0131 477 4567